

**Minutes of the  
Litchfield Budget Committee Meeting  
Held on January 20, 2020**

The Litchfield Budget Committee held a meeting on Monday, January 20, 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 6:00 p.m.

● **PLEDGE OF ALLEGIANCE**

**2. PUBLIC INPUT**

There was no public input.

**3. SCHOOL BUDGET VOTING**

● **Article 1: School Operating Budget**

Mrs. Douglas indicated the Budget Committee postponed their votes on Article 1 due to a discrepancy between the Budget Committee's budget total and the School Board's total. She noted that the school district has reconciled the budget total, which is in agreement with the total that was deliberated upon by the Budget Committee. She announced the FY21 General Fund Operating Budget amount is \$22,324,241; total appropriation including \$615,089 for Food Services and \$575,000 for Grants, is \$23,514,330, which will appear in Warrant Article 1.

Mr. Cutter wanted to make sure the numbers the Budget Committee provided are correct. Mr. Izbicki, Business Administrator, indicated the numbers have been reconciled and are correct.

Mrs. Douglas commented the warrant that was provided to the Budget Committee prior to this meeting has the original number in Article 1 and has not yet been updated. She asked if the Budget Committee can vote on the article.

Mr. Izbicki indicated the Budget Committee can amend the operating budget number in their motion for recommendation of the article.

Mr. Cutter asked if there was any change to the FY21 Default Budget total. Mr. Izbicki indicated there was no change.

Mr. Cutter indicated the FY21 Default Budget total reads \$23,660,450. Mr. Izbicki confirmed that the total is correct and has not changed.

Mrs. Douglas read Article 1 as revised:

*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 **\$23,514,330**? 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.*

**MOTION:** by Mr. Cutter

**Move to recommend Article 1 as amended**

**SECOND:** by Mr. Hayes

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

**The motion carried.**

- **Article 5: Feasibility Study**

Mrs. Douglas indicated Article 5 was tabled so the School Board could review how the article would be presented. She noted the School Board decided to create an expendable trust fund and take the funds out of the unassigned fund balance at the end of the year should the article be approved by the voters.

The revised article reads as follows:

**Article 5**

*Shall the Litchfield School District vote to establish a Capital Improvement Expendable Trust Fund under the provisions of RSA 198:20-c,V for the purpose of funding the study, planning and cost of new construction or renovation of existing facilities in the Litchfield School District as recommended by the Capital Planning Committee, and to raise and appropriate the sum of \$70,000 to be placed into the fund? 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.*

**MOTION:** by Mr. Cutter

**Move to recommend Article 5 as presented**

**SECOND:** by Mrs. Bourque

**VOTE: 9-0-0**

**The motion carried.**

The Committee Chair thanked the School Board and school district for their reconsideration of the proposed article based upon the feedback from the Budget Committee.

#### **4. TOWN BUDGET UPDATES**

- **Article 17: Petition Warrant Article, Veterans' Tax Credit**

Mr. Brown provided an update regarding tax cap impact of the Petitioned Article for increasing the Veterans' Credit. He indicated that upon consultation with legal counsel it was determined that the tax cap would not be directly impacted. He explained there is no area that discusses Veterans Credit or Elderly Exemptions on the original budget form from the NH Department of Revenue Administration and the State law is clear to the reference of the tax cap and how it applies. Mr. Brown noted that legal opinion provided ensures that the article does not increase the amount of taxes raised, therefore, is not impacted by the tax cap. He indicated if this article is approved by the voters there will be a cost, which will be realized by this time next year, but will not affect 2020.

Mrs. Douglas thanked Mr. Brown for following up on Budget Committee concerns.

Mr. Leary commented it will be a loss of revenue for the Town.

Mrs. Bourque questioned the verbiage of the Select Board recommendation on the article. She noted it is recorded that the article is not recommended by the Select Board by a vote of 5-0-0. She asked if it should not read "...a vote of 0-5-0".

Mr. Brown indicated the motion was "not to recommend the article". He mentioned that the petitioner reached out the Mr. Webber, the Select Board Chair, and will come forward at Deliberative Session to reduce the increase in the article from \$750 to \$500.

Mrs. Douglas commented that people may see it as a great idea, but not recognize that there is a cost to the town or the taxpayers.

Mr. Hayes mentioned all surrounding towns have a Veterans Credit of \$500 and there is a petition in one of the towns to increase it to \$750.

Mrs. Bourque asked if the Budget Committee has to decide if they want to vote on this article.

Mr. Brown indicated legal counsel advised it is optional, but he feels, to be consistent, the Committee should take a position. He noted that there will be a cost, which will be realized when the tax rate is calculated in 2020.

Mrs. Douglas felt that this is a personal position and that the Committee should not vote on it. Committee members were polled and the majority indicated they would like to vote on the article, as well as Article 16, Elderly Exemptions.

## **ARTICLE 16 - BY PETITION**

Per RSA 72:39-a and RSA 72:27-a we the people of Litchfield, NH would like to modify the elderly exemptions to the following:

The elderly exemption based on assessed value of their home for qualified property owners 65 years of age 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 \$45,500 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 tax payer must not have a net income of more than \$45,500 (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, combined assets shall not be in excess of \$300,000 (dollars). 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.

**Note: Assuming the same number of eligible recipients and property valuation this will cost an additional \$50,729 with an estimated 2020 tax rate impact of \$0.06.**

**MOTION:** by Mrs. Bourque

*Move to recommend Article 16*

**SECOND:** by Mr. Cutter

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

**The motion carried.**

*Article 16 is recommended by the Budget Committee by a vote of 8-0-1.*

#### **ARTICLE 17 - BY PETITION**

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?

**Note: Assuming the same number of eligible recipients this will cost an additional \$174,498 with an estimated 2020 tax rate impact of \$0.19.**

**MOTION:** by Mr. Cutter

*Move to recommend Article 17*

**SECOND:** by Mrs. Bourque

**VOTE: 4-4-1, with Mr. Hayes, Mr. Meyers, Mr. Hodgkins and Mrs. Bourque voting in support; with Mrs. Martin, Mr. Cutter, Mr. Leary and Mrs. Fordey opposing; Mrs. Douglas abstained**

**The motion failed.**

*Article 17 is not recommended by the Budget Committee because of a tied vote 4-4-1.*

- **Reconsideration of Other Warrant Articles (if necessary to meet tax cap)**

Mrs. Douglas commented that there is no reconsideration of other warrant articles.

Mrs. Bourque felt that the Select Board should review their wording on the recommendation for Article 17 to be consistent with the Budget Committee wording.

Mr. Brown indicated that he will look into it further and consider past actions.

Mr. Brown reported that the Select Board removed the warrant article regarding Darrah Pond. He explained the Select Board had questions sparked the concerns raised by the Budget Committee. He indicated some members wanted to support the article, but there was not enough information. He noted the Town will look more deeply into the issue and gather more information before returning with the request next year. Mr. Brown commented the condition of the pond will not change much in 12 months.

Mr. Cutter asked if there were any reconsiderations in funding for Article 7, Communication System article.

Mr. Brown indicated that legal counsel advised the way the financing is proposed in the article and the fact that we are not proposing to raise any money in 2020, we cannot change the funding to “raise and appropriate” as that would change the public notice that has been given to the voters.

**5. MEMBER INPUT**

There was no member input.

**6. PUBLIC INPUT**

There was no public input.

**7. ADJOURN**

**MOTION:** by Mrs. Bourque

***Move to adjourn the meeting at 6:28 p.m.***

**SECOND:** by Mr. Hodgkins

**VOTE: 9-0-0**

**The motion carried.**

**Next meeting: February 1, 2020**

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