

Litchfield Budget Committee  
Budget Hearing  
Town Budget

January 16, 2020

# Budget Committee Members

- Keri Douglas – Chair
- Andrew Cutter – Vice Chair
- Jennifer Bourque
- Nicole Fordey
- William Hayes
- Brion Hodgkins
- Jessica Martin
- F. Robert Leary – Selectmen's Representative
- Robert Meyers – School Board's Representative

# Budget Preparation

- 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 53<sup>rd</sup> 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

## Areas of Major Impact to the Proposed Budget, Cont'd

- Fire Department **\$15,332 increase**
  - Increased personnel costs partially attributed to a 53<sup>rd</sup> 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 53<sup>rd</sup> 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 53<sup>rd</sup> pay period
  - Increase in both the cost and the quantity of solid waste disposal



# Budget Committee Adjustments

<b>Department</b>	<b>Amount Reduced</b>
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 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 2020 tax rate impact: **\$0.04.**

<b>Wages &amp; Benefits</b>	<b>2020</b>	<b>2021</b>
Wages	\$18,720	\$37,440
Health (family)	\$13,340	\$26,680
Dental (family)	\$ 792	\$ 1,584
NHRS	\$ 2,090	\$ 4,100
SSI	\$ 828	\$ 1,656
Medicare	\$ 194	\$ 388
<b>Total</b>	<b>\$35,964</b>	<b>\$71,928</b>

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

*Recommended by the Budget Committee (7-2-0)*

## 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**.

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

## **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)*

*Recommended by the Budget Committee (8-1-0)*

## **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)*

## **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)*

## **ARTICLE 14 – TECHNOLOGY & 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)*

## **ARTICLE 15 – NON BINDING VOTE – COMMUNITY CENTER DESIGN**

Are you in favor of the Recreation Commission investigating the need to construct a community center, investigating the cost of such a center, and developing drawings and designs of such a center?

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

## **ARTICLE 16 – BY PETITION**

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*

## ELDERLY EXEMPTION

	Current	Proposed
Exempted Value		
65-74	\$ 50,000	\$ 85,000
75-79	\$ 80,000	\$140,000
80+	\$125,000	\$190,000
Income Limits		
Single	\$30,000	\$45,000
Married	\$45,000	\$55,000
Asset Limits		
Single	\$300,000	\$300,000
Married	\$300,000	\$300,000

Estimated Tax Impact  $\approx$  \$0.03

## **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?

Estimated 2020 tax rate impact: **\$0.19**

*Pending Recommendation by the Board of Selectmen*

*Pending Recommendation by the Budget Committee*

## VETERANS' TAX CREDIT

	#	\$300 Credit (Current)	\$750 Credit (Proposed)	Change
War Service Credits	326	\$ 97,152.00	\$ 244,500.00	\$ 147,348.00
All Veterans	60	\$ 17,850.00	\$ 45,000.00	\$ 27,150.00
Total	386	\$ 115,002.00	\$ 289,500.00	\$ 174,498.00
Estimated Tax Impact		\$0.12	\$0.31	\$0.19



# Tax Cap Calculation a/o 01/14/2020

TAX CAP CALCULATION BASE				TAX CAP CALCULATION					
Tax Year	Prior Year Tax	Add Back		Gross Appropriations	Less Revenues	Add Veteran's Credit	Add Overlay	Current Year Tax	Over/Under Tax Cap
		Fund Balance	Tax Cap \$175k						
2020	\$4,382,298	\$0	\$4,557,298	\$7,160,891	\$2,795,620	\$136,702	\$50,000	\$4,551,973	-\$5,325
					Tax Cap - Yes	Tax Cap - No			
			Article 4	2020 Budget	\$7,064,927				
			Article 5	Highway Employee	\$35,964				
			Article 6	Communication System	\$0	\$0			
			Article 7	Library Earned Time	\$5,000				
			Article 8	Human / Health Services	\$15,000				
			Article 9	General Assistance	\$10,000				
			Article 10	Darrah Pond Treatment	\$30,000				
			Article 11	Old Town Hall Paint	\$0	\$25,000			
			Article 12	Plow Truck Purchase	\$0	\$100,000			
			Article 13	Building Systems Trust	\$0	\$50,000			
			Article 14	Tech & Communication	\$0	\$25,000			
			Article 15	Community Center	\$0	\$0			
			Article 16	Petiton	\$0				
			Article 17	Petiton	\$0				
					\$7,160,891	\$200,000			

# Total Estimated Tax Impact

Current Tax rate	\$4.80
Operating Budget	\$0.03

\$11.20 estimated increase to a house valued at \$350,000

Total Proposed increase	\$0.14
New Rate	\$4.94

\$49.70 estimated increase to a house valued at \$350,000

Questions or Comments?

<b>PROPERTY VALUATION</b>	<b>2019</b>	<b>2020</b>	<b>\$ CHANGE</b>
Valuation	\$914,231,417	\$922,231,417	\$8,000,000
Per \$1000 Assessment	\$914,231	\$922,231	

<b>OPERATING BUDGET</b>	<b>2019</b>	<b>2020</b>	<b>\$ CHANGE</b>
Gross Budget	\$7,010,862	\$7,064,927	\$54,065
Less Revenues	\$2,825,517	\$2,795,620	-\$29,897
Net Town Appropriation	\$4,185,345	\$4,269,307	\$83,962
Add War Service Credits	\$136,702	\$136,702	\$0
Add Overlay	\$60,251	\$50,000	-\$10,251
<b>Total Budget Appropriation</b>	<b>\$4,382,298</b>	<b>\$4,456,009</b>	<b>\$73,711</b>
<b>Tax Rate</b>	<b>\$4.80</b>	<b>\$4.83</b>	<b>\$0.032</b>

<b>2020 PROPOSED WARRANT ARTICLES</b>	<b>AMOUNT</b>	<b>TAX IMPACT</b>
ART 5 - Highway Employee	\$35,964	\$0.04
ART 6 - Communication System	\$0	\$0.00
ART 7 - Library Earned Time	\$5,000	\$0.01
ART 8 - Human Services & Health Agencies	\$15,000	\$0.02
ART 9 - General Assistance Expendable Trust Fund	\$10,000	\$0.01
ART 10 - Darrah Pond Treatment	\$30,000	\$0.03
ART 11 - Old Town Hall Paint	\$25,000	\$0.00
ART 12 - Plow Truck Purchase	\$100,000	\$0.00
ART 13 - Building Systems Trust Fund	\$50,000	\$0.00
ART 14 - Technology & Communication Fund	\$25,000	\$0.00
ART 15 - Community Center Non-Binding Vote	\$0	\$0.00
ART 16 - Petition		
ART 17 - Petition		

	<b>\$4.94</b>	<b>\$</b>	<b>0.14</b>
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