

**Amended Draft Minutes of the
Litchfield Budget Committee Meeting
Held on October 8, 2020**

The Litchfield Budget Committee held a meeting on Thursday, October 8, 2020, at Litchfield Town Hall, Two Liberty Way, Litchfield, NH 03052 and remote locations.

In response to COVID- 19 and the resulting need to practice social distancing, the meeting will be held remotely via Webex and be broadcast live via LCTV

PRESENT: A Cutter (Chair), N Fordey (Vice Chair), K Douglas, W Hayes, J Son, S Taylor, C Harrison (School Board Representative), R Leary (Selectmen Representative)

Absent: B Hodgkins

1. CALL TO ORDER

Mr. Cutter called the meeting to order at 6:30 p.m.

● **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

Residents were encouraged to submit comments via email to Andrew Cutter, Budget Committee Chair, acutter@litchfieldnh.gov. Messages must include commenter's first and last name & address.

There was no public input.

3. REVIEW / REVISION OF AGENDA

Members in person at Town Hall: Andrew Cutter, Nicole Fordey, William Hayes, Jon David Son, Robert Leary, Scott Taylor. Members remote: Christina Harrison, Keri Douglas.

4. CORRESPONDENCE

Mr. Cutter shared correspondence that included ZBA (Zoning Board) public notices, MS-4 report from the Town, edits to the 9/24 Budget Committee minutes, questions and preparation for the 2021 budget, remote email circulated, 10/1 Budget Committee draft minutes, school district report and enrollment, questions on accuracy of enrollment numbers, response to question on the Planning Board opinion on \$3,000 reduction.

5. REVIEW / ACCEPTANCE OF MINUTES

● **September 24, 2020**

MOTION: by Mr. Son

Move to approve the September 24, 2020 minutes as revised

SECOND: by Mrs. Fordey

VOTE carried by roll call: *Mr. Cutter, yes; Mrs. Fordey, yes; Mr. Son, yes; Mr. Hayes, yes; Mr. Leary, yes; Mr. Taylor, yes; Mrs. Harrison, yes; Mrs. Douglas, yes.*

- **October 1, 2020**

The October 1, 2020 minutes were deferred to the October 15 meeting.

6. **REPORTS** *(The order of budget reports may be discussed out of order)*

- **Town Business**

- **Review of Accounts**

- **Parks & Recreation**

Mr. Brown presented the 2021 Parks & Recreation budget with a total of \$97,537, which represents an increase of \$1,613. He reported:

- Custodian wages were level funded;
- Clerical support is new item as the Commission is looking for assistance in taking meeting minutes, for a budgeted cost of approximately \$1,000 for the year;
- Propane is estimated at 3,200 gallons and an estimated cost is budgeted, but the price is still unknown;
- Building repair/maintenance was budgeted using a 3 year average;
- Chemical toilets reflects the largest increase based on the fact that the rates have changed since we had them removed. Previous costs were grandfathered for the Town and the chemical toilets were removed as a COVID-19 impact. A new vendor bought out the original vendor and increased the rates;
- Field maintenance has increased, but could change once the Town receives the bids on Tuesday;
- Facilities equipment and equipment purchase has decreased.

Mr. Taylor asked about the length of time the chemical toilets are accessible.

Mr. Brown indicated that has evolved over the years. He explained that at Roy Memorial Park, the season often runs late, people use the basketball court, the playgrounds are there, winter carnival is held there, and people who use the bike path often use them.

Mr. Taylor asked why the chemical toilets are not kept year round at Sawmill with the tennis courts. Mr. Brown indicated the tennis courts are not open year round, but there is always activity at Roy Memorial Park.

Mr. Taylor asked if there is any possibility of clawback with the contract that is ending.

Mr. Brown felt that would not be a public discussion since there is currently a bid out.

Mr. Taylor asked if the contracts that the Town has have a clawback clause for services rendered.

Mr. Brown indicated that would be geared more to termination.

Mr. Son commented clerical support is budgeted for 24 meetings at one hour per meeting, which results in about \$45 per hour. He believes that is high.

Mr. Brown indicated the meetings most likely last for an hour. He explained that when watching a meeting the transcriber is trying to take notes, but there are times when you have to go back and listen to the recording and then do the final transcription.

Mr. Taylor asked if it makes sense for the Recreation Commission to meet that often.

Mr. Brown commented that they do cancel every now and then, but with so much interaction with athletic groups in town, they actually do have to meet twice per month to make sure the communication is flowing.

Mrs. Fordey asked about the last list of expenditures for the Recreation Commission as of October 1. She indicated certain lines have no expenditures at all.

Mr. Brown remind the Committee that the Select Board issued the closure of non-essential departments at the end of March/early April, and they were shut down during that time.

Mr. Hayes commented on the Facility Improvements-Capital Outlay line and the addition of playground equipment. He asked if it can be deferred to the following year.

Mr. Brown indicated he would reach out to the Recreation Commission to respond. He suggested perhaps the equipment can be purchased this year and stored until it can be installed.

Mrs. Douglas asked if there are any plans to put down mulch in the playground while we are approaching fall.

Mr. Brown indicated he will reach out to the Recreation Commission.

- **Library**

Mr. Brown presented the 2021 Library budget with a total of \$297,347, which represents an increase of \$30,463.

Mrs. Varrick, Director, and Mrs. Ferguson, Trustee, presented budget details for the Budget Committee. Mrs. Varrick reported:

- There is an increase in wages due to merit increases;
- Increase in health insurance as one staff member will be taking health insurance coverage;
- Decrease of \$2,300 from the health insurance buyout;
- Entering year 2 of the wage phase in plan;
- Slight increases in Koha software, copier maintenance agreement, septic tank cleaning, downloadable books;
- A computer replacement is budgeted;
- Decrease in heating oil and water usage.

Mrs. Varrick indicated the main driver of the increase in the budget is from the employee taking insurance as that expense was moved out of the Select Board budget and into the Library budget.

Mrs. Harrison asked if the Library expects to be on target for spending year to date.

Mrs. Varrick indicated that the Library does expect to be on target for year end spending. She suggested that unspent funds could be used to pay for items in the 2021 budget. She reported funding for some conferences and mileage may not be used, but she cannot commit to that without Trustee approval.

Mr. Hayes asked if the septic cleanout can be deferred since it was not used as much this year. Mrs. Varrick indicated that is a reasonable request.

Mr. Hayes asked how often the septic is recommended to be cleaned. Mrs. Varrick indicated she will ask the vendor that performs the service.

Mr. Son commented that the health insurance was covered in the Select Board budget for 2020 and the amount is the same in 2021. He asked where the money is this year.

Mr. Brown indicated there is a Memorandum of Understanding between the Select Board and the Library Trustees. He explained the Trustees asked the Select Board if they would place an article in the warrant to create a trust fund to cover the insurance. The Select Board felt that instead of creating a fund and in the event a Library employee took insurance the Select Board would cover it. He indicated the Select Board honored the agreement this year and placed the funds in the Town Administrator's budget, which will overspend this year.

Mr. Taylor asked about the increase in the mileage, tolls and seminar line items.

Mrs. Varrick explained in 2019 an employee resigned and was not attending conferences. She noted in 2020 they were added in for department meetings and the Library team that meets.

Mr. Taylor asked if seminars that are not attended can be reduced for this year. Mrs. Varrick indicated she will speak with the Trustees on Monday.

- **Information Technology**

Mr. Brown presented the 2021 Information Technology budget with a total of \$147,248, which represents an increase of \$16,696.

John Brunelle, IT Manager, presented increases and decreases in the 2021 IT budget:

- Telephone/Internet Services increased \$11,556, which represents all services to town facilities;
- Data services was moved into this budget from the Police Department for 6 months;
- Increase of \$3,320 in the Software Support contracts that protect the Town's business, security and hosting;
- Decrease of \$3,400 in equipment maintenance;
- Equipment Purchases reflect budgeting for replacement of aging infrastructure;
- Increase of \$5,220 for requests for the replacement of 2 Chromebooks and the ID Printer;
- Continuing replacement of computers in Town;

- Equipment leases includes lease payments for copiers and printers at Town Hall and the Police Department.

Mr. Brunelle indicated that most increases are based on run rates. He noted that with regard to the Data line, the line was overrun this year due to underestimating the usage.

Mr. Cutter commented that he takes a hard look at this budget each year. He asked about the cost increase in website hosting that was budgeted previously at \$350 and is budgeted at \$1,150 for 2021.

M. Brunelle indicated that the increase is due to a domain increase by the U.S. Government. He explained Litchfield has two domains and both are used. He noted the Government raised fees from \$250 to \$400. He indicated web hosting represents the platform used and today the Town Hall has the platform, which includes the police department, fire department and recreation committee at a cost of approximately \$350 per site.

Mr. Cutter commented that Chromebooks are typically around \$250 each (pre-COVID). He asked if \$450 is the right cost.

Mr. Brunelle indicated that for the Chromebooks we are looking at that was cost when they were priced.

Mr. Son commented the Chromebooks used across the Town are a higher end than what is used in the schools. He indicated we leverage the Google platform for our services and asked why the Town is still using MS Office.

Mr. Brunelle indicated there are activities where we cannot use the Google format, but we try to hold down the usage.

Mr. Taylor asked if the Recreation Commission information can be hosted on the Town website to reduce the cost of web hosting.

Mr. Brunelle indicated that is a question for the Recreation Commission, who requested it. He noted they ensure it is always up to date.

Mr. Taylor asked, with regard to Verizon Wireless, if Comcast would result in a savings since it leverages the same Verizon towers.

Mr. Brunelle indicated the Town is on a Verizon government plan required for police and fire department use. He noted that we have a pre-negotiated rate and there is no cost savings with Comcast.

Mr. Taylor asked if employees can use their phones as hotspots for data usage. Mr. Brunelle indicated we have no hotspots in the town.

Mr. Cutter asked about a replacement printer that has been budgeted. Mr. Brunelle indicated the printer failed and has not been replaced.

Mr. Cutter asked how ID's were being printed. Mr. Brunelle indicated ID's are not being printed and we are out of compliance, which is why there is a need for a new printer.

Mr. Cutter commented this is a need and would be an item to use current budget funds to replace. He indicated that we know some funds from the police budget were used to purchase two administrative vehicles and with the savings from COVID, some of those funds can be used to make purchases for 2021.

Mr. Brown indicated he will look at that.

Mrs. Fordey asked if the cost budgeted for Webex is a contract. Mr. Brunelle indicated it is a one year contract.

Mrs. Douglas commented there is a significant increase on a monthly basis with the consolidated rate for device use. She asked if more devices are being used.

Mr. Brunelle indicated we started to bring on the fire department with all new services last year and at that time it was based on a certain amount of usage. He explained this year, with long distance calls, it is an increase. He noted the old fire station had two copper phone lines and the new station has fiber optic lines and a back up for the police station. Mr. Brunelle commented we took this opportunity to extend the services between the buildings with redundant services and replaced all analog lines with digital lines. He indicated the services are being used differently and we back up data to the Cloud, which uses more bandwidth.

Mr. Cutter asked if the contract for the IT Manager is still in progress. Mr. Brown indicated he met with the Select Board this evening and the IT manager contract should be resolved at their October 19 meeting.

- **Mosquito District**

Mr. Brown presented the 2021 Mosquito District budget with a total of \$31,950. Our contractor agreed to honor previous contract costs.

- **Health Agencies**

Mr. Brown presented the 2021 Health Agencies budget with a total of \$0. He indicated the Town has received requests in the amount of \$16,133 from various agencies. This is typically on a special warrant article. There was an article that created a committee that recommends the requests to the BOS and the BOS makes the decision on what to fund.

- **Insurance**

Mr. Brown presented the 2021 Town Insurance budget with a total of \$66,896. He indicated he is still waiting for property / liability, workers compensation and unemployment insurance rates. He noted the final numbers for property/liability should be received by October 15. He reported that health insurance rates increased 6.4% and dental insurance had no increase.

Mr. Cutter commented there is not a lot the Town can do as that is the cost of insurance. He asked if there is any recourse the Town can take to control those costs.

Mr. Brown explained there are basically two insurance agencies that can be used. HealthTrust is a group for municipalities and schools that pool their needs together and just by sheer volume we are self-rated, which works to help stabilize the cost. With property/liability and workers compensation we use Primex, who specializes in that type of insurance for municipalities and schools. He indicated they work directly with the Town and the safety committee and set different performance measures that we can control to realize a discount.

Mr. Taylor asked if the 6.4% increase is completely handled by the Town or if employees see an increase in premium costs. Mr. Brown indicated that the Town share of the premium for health insurance is 80%.

Mr. Taylor asked how long those contributions are paid and if there is an opportunity to move to a different tier of insurance so we do not have our hands tied.

Mr. Brown commented we could choose different coverages with HealthTrust. He indicated that three years ago when the Town would have realized an 18% increase in health insurance, the union employees were willing to pick up some of that increase; however, we looked at HealthTrust and worked with employees to negotiate the contribution rates.

- **General Government Facilities**

Mr. Brown presented the 2021 General Government Facilities budget with a total of \$256,589, which represents an increase of \$152,918. He indicated the increase is directly related to the communications tower lease payment. He reported wages for the custodian are budgeted with an extra five hours per week due to COVID related cleaning. He pointed out that when the communication towers go online, we will have two additional service accounts for electrical service. He noted gasoline cost has decreased by \$3,250 because he budgeted at \$2.25 per gallon from the \$2.75 per gallon previously budgeted.

Mr. Hayes commented the Town does not pay taxes at the pumps and the cost per gallon is down. He asked if it is possible to budget \$1.90 per gallon.

Mr. Brown indicated it is possible, but explained he would prefer to wait to see if the cost increases. He noted he has seen times when the prices spike, which could result in the Town paying a higher cost.

Mr. Cutter commented the end result for the Budget Committee is to get the budget under the tax cap.

Mr. Taylor agreed with Mr. Brown regarding gas prices. He commented it is wise to budget \$2.25 per gallon for gasoline as he has seen prices spike and create artificial increases.

Mr. Hayes commented we will be a COVID environment for some time and at this time gasoline prices are lower. He prefers to see the cost per gallon budgeted lower.

Mr. Son commented due to the unpredictability of gasoline pricing, he believes this line item should be left as it is. He noted there are other areas this committee can look to for reductions.

Mr. Hayes felt that the cost would be \$1.70 per gallon without taxes and believes that \$2.25 per gallon is over budgeted.

Mrs. Douglas commented it is difficult to predict, but the government analysis and projections should be available soon.

Mrs. Fordey asked if funds were reduced under Custodial Cleaning Supplies.

Mr. Brown indicated it was initially budgeted with an additional \$2,500 on top of what we previously spent in that line, but we reduced it and agreed to stock up as much as possible in December.

Mr. Taylor commented many people around town are saying that warrant articles are often presented to “feel good” and no one thinks ahead. He asked, with an extra \$150,000 in the budget for the communications towers lease, how will articles that may be presented be funded. He indicated he would like to see proactive action for areas of the budget to help offset that cost.

Mr. Cutter indicated that is something to start thinking about.

Mrs. Fordey commented the communication tower is not a “feel good” article, but a critical need. She indicated that she understands Mr. Taylor’s point, but there needs to be a larger conversation because the town is growing and there could be a need for expansion of services. She noted there was a very detailed justification for the tower.

Mr. Son commented this was something needed from a safety standpoint, but we have to find a way to save some money.

Mrs. Douglas cautioned the Committee not to lock in future boards to decisions today. She noted it is up to the voters to have that discussion.

Mr. Cutter asked Committee members how they would like to proceed through the voting process for the Town budget. He mentioned typically the process has been to go page by page.

Mrs. Douglas prefers to go through the budget by department and make bottom line reductions instead of line by line.

Mr. Cutter offered to prepare a summary for the Committee if members feel it will help.

7. MEMBER INPUT / NEW BUSINESS

Mrs. Fordey commented we took the School Reports section off the agenda while discussing the Town budget and asked about the enrollment projections and Business Administrator’s reports.

Mr. Cutter commented that it was noticed the school enrollment projection calculations in some of the rows and columns is not correct.

Mrs. Harrison indicated she will get an updated report for the Committee.

Mrs. Douglas commented it appears in the expense report that GMS teacher salaries has been overspent by \$400,000.

Mrs. Harrison indicated that Mr. Izbicki, Business Administrator, explained there was an error in the system, which has been corrected. She noted an updated report will be provided.

Mr. Leary reported the Select Board has begun going through the warrant articles and has recommended withdrawing six of them.

8. PUBLIC INPUT

There was no public input.

9. ADJOURN

MOTION: by Mr. Hayes

Move to adjourn the meeting.

SECOND: by Mrs. Fordey

VOTE to adjourn the meeting was taken by roll call:

Mr. Hayes, yes; Mrs. Fordey, yes; Mrs. Douglas, yes; Mr. Son, yes; Mr. Taylor, yes; Mrs. Harrison, yes; Mr. Leary, yes; Mr. Cutter, yes.

The motion carried.

Next meeting: October 15, 2020

The meeting was adjourned at 8:15 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: