

**Draft Minutes of the
Litchfield Budget Committee Meeting
Held on October 29, 2020**

The Litchfield Budget Committee held a meeting on Thursday, October 29, 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, B Hodgkins, J Son, S Taylor, C Harrison (School Board Representative), R Leary (Selectmen Representative)

1. CALL TO ORDER

Mr. Cutter called the meeting to order at 7:00 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

There were no revisions to the agenda.

4. CORRESPONDENCE

Mr. Cutter shared correspondence that included a request from Mr. Hayes for gasoline usage, an email from Mrs. Flynn with voting summaries, the approved and amended minutes, weekly budget from Town, information from the Recreation Committee regarding fields, the monthly school district expense report, a request for the school review process.

Mrs. Fordey added special fund balances and special revenues were received from the Town.

5. REVIEW / ACCEPTANCE OF MINUTES

Minutes were not available at this time and will be reviewed at the next meeting.

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

- **Town Business**
 - **Voting of Town Accounts**

- **General Government Buildings**

MOTION: by Mr. Hayes

Move to reduce Account 4194.10, General Government Buildings, by \$4,500

SECOND: by Mrs. Douglas

Mr. Hayes explained this reduction is against Line 635, Gasoline, which seems over budgeted. He indicated that he did some research with Mr. Brown's assistance on gasoline delivery receipts that shows the Town is way below \$2.00 per gallon. An embedded spreadsheet in the budget from July 2019 to June 220 shows an annual run rate at \$2.00 per gallon. He believes that further reduction is warranted from the \$2.25/gallon cost budgeted for 2021.

Mr. Cutter commented reducing the line by \$4,500 will result in a line total of \$36,000.

Mr. Hayes indicated he is being cautious to ensure the line is not overfunded. He noted research and analysis shows we should be at a cost of \$1.82/gallon. He believes we will be in a COVID environment for some time and that the Town's cost will be less than \$2.00/gallon.

Mr. Son agreed with Mr. Hayes' thought process and analysis. He applied this logic when looking at seminars/conferences and mileage, but the only difference with this item (gasoline) is unpredictability as even unforeseen aspects can drive the cost up.

Mr. Cutter agreed with Mr. Son regarding the unpredictability of this line and suggested budgeting a bit extra. He felt a reduction of \$2,500 was more appropriate.

Mr. Hayes commented that the research and analysis results show that the cost should be \$1.82/gallon and believes the Committee should base a reduction on historical spending and research.

Mr. Brown commented that he has not changed his position on this line item. He indicated that the Select Board considered the coming year to be a tighter budget and reduced the initial cost of gasoline from \$2.50/ gallon to \$2.25/gallon. He noted there is not much capacity in the budget to absorb any unforeseen spikes in energy costs and this line does not have much movement. He mentioned having two police officers on leave in the Police Department had an impact on the consumption of gas this year. Mr. Brown commented Mr. Hayes has done great research, but believes he is basing his reduction on costs that have not been seen in years.

Mr. Hayes commented that nine months of data reflects spending at \$28,000, which should lead to approximately \$32,000 at the end of the year.

Mr. Cutter mentioned the Select Board have made decisions to use some of the excess funds to pre-pay 2021 items. He indicated there is still money in the budget, but would defer the question of putting that money into a fund.

Mr. Brown commented if this line has a turnback it was decided by the Select Board to cover other overruns in the other budgets or make one-time purchases.

VOTE: The motion carried by roll call vote: *Mr. Taylor, yes; Mrs. Douglas, yes; Mr. Hodgkins, yes; Mr. Son, yes; Mr. Cutter, yes; Mr. Hayes, yes; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no.*

MOTION: by Mr. Taylor

Move to reduce Account 4194.10, General Government Buildings, by \$1,788

SECOND: by Mrs. Douglas

Mr. Taylor indicated his motion is to reduce Line 630, Equipment Repair/Maintenance. He commented that past history shows some low years and he was concerned that a 35% increase is excessive. He wanted to know if there is any large repair that is being considered.

Mr. Brown commented this is one of those lines the Select Board asked us to take a second look at and start with a zero base. He indicated that the calculation of the line is based on a 3 year average. He noted that the Town is trying to put a dollar figure on buildings that are not captured in the other budgets. He added that the Capital Reserve Fund does have limitations.

Mr. Taylor asked if maintenance is really needed on the HVAC systems for the new Fire station and the Town Hall HVAC, since extensive work has been done on the Town Hall.

Mr. Brown commented the Fire Department has their own line for HVAC in their budget. He explained the line in this budget is for 6 exchangers, 6 units on the ground, maintaining the old town hall, and pumping septic tanks. He noted that \$1,500 for maintenance on a commercial system is reasonable. He added even with brand new equipment it is important to perform maintenance.

Mrs. Douglas asked if the maintenance is contracted. Mr. Brown indicated it is not contracted; however the Town has been working with an HVAC provider to perform work in all of our buildings.

Mrs. Douglas commented mechanical maintenance is important and a contract would be advisable.

VOTE: The motion failed by roll call vote: *Mr. Taylor, yes; Mr. Hodgkins, yes; Mrs. Douglas, no; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no; Mr. Son, no; Mr. Hayes, no; Mr. Cutter, no.*

- **Town Insurance**

There were no motions made on this budget.

- **Police Administration**

Mr. Cutter commented when the Select Board began this process for zero based budgeting, some department heads took it seriously and put forward thoughtful budgets. He indicated this budget is actually decreased by \$14,440. Actions have been taken to purchase two administrative vehicles with 2020 funds. He noted he had a discussion with Chief Sargent regarding his recommendations.

Chief Sargent commented he had a good conversation with Mr. Cutter and had an opportunity to go through the budget to find additional reductions. He mentioned the department received \$12,000 in grants that helped reduce the budget, as well as a grant to purchase radio equipment.

Mr. Hodgkins asked for the cost of the two police vehicles that were purchased with 2020 funds.

Mr. Cutter indicated the cost was \$62,835, which includes the cost to outfit each vehicle.

Mr. Hodgkins commented the Town had enough money left over to purchase two vehicles, but the Town acts like this Committee is cutting deep, but we are not.

Mr. Cutter commented at the beginning of COVID, the Select Board directed departments to put a hold on spending, which is why some line items are not spent as expected. He indicated the savings across the entire budget is approximately \$250,000, which remains in the budget as a result of the block in spending. Out of those funds there have been decisions made to use some monies that would be spent for items budgeted for 2021 and one of those decisions was to purchase the two police vehicles. He mentioned the funds attributed to savings within the police department this year.

Chief Sargent mentioned there is an officer on military deployment and we did not have to pay out his salary this year, and because of being short staffed by three officers we had a significant savings in salaries. He commented that the two vehicles were going to be presented in the 2021 budget, but he proposed to the Select Board that the vehicles be purchased this year. He noted because of the officer vacancies and savings in salaries, we were able to repurpose those monies to take the burden off the 2021 tax cap.

Mr. Hodgins was concerned that when funds are left over, it is going back to departments instead of the taxpayers, which is my objection.

Mrs. Douglas commented we are in a unique situation. She agreed some money should be returned to the taxpayers, but if we refund all the money it will create an artificial spike in taxes the following year. She believes using some of those funds for pre-payment or pre-purchase of items in a subsequent budget is a good use.

Mr. Cutter commented the Town has the responsibility to deliver a budget below the tax cap. He indicated using these types of funds is responsible to present a budget below the tax cap.

MOTION: by Mr. Cutter

Move to reduce Account 4210.10, Police Administration, by \$600

SECOND: by Mrs. Douglas

Mr. Cutter commented this reduction is based on Line 620, Office Supplies. He indicated after discussion with Chief Sargent we felt this was a good reduction for the budget.

VOTE: The motion carried by roll call vote: *Mr. Taylor, yes; Mrs. Douglas, yes; Mr. Hodgkins, yes; Mr. Son, yes; Mr. Cutter, yes; Mr. Hayes, yes; Mrs. Fordey, yes; Mr. Leary, no; Mrs. Harrison, no.*

- **Police Support**

Mrs. Fordey asked about the rationale for overtime for the dispatcher.

Chief Sargent explained last year there was a motion by the Chair to reduce this line by \$2,500-\$3,000, with which we felt comfortable. He indicated that last year we budgeted for 53 weeks in wages and there are 52 weeks in 2021. He felt that the extra week made a difference with people taking more time off.

MOTION: by Mr. Cutter

Move to reduce Account 4210.50, Police Support, by \$500

SECOND: by Mrs. Fordey

Mr. Cutter indicated the reduction is based on Line 140, Overtime.

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

- **Ambulance**

There were no motions made to this budget.

- **Fire**

Mrs. Douglas commented that the notes on Lines 410 and 411 still say estimate. She asked if there were more actual numbers.

Deputy Nicoll commented he pulled all the bills for last year. He noted much electricity was used for the construction of the new station, but from January 2020 to the present, the department is averaging approximately \$1,000 for electricity.

Mr. Cutter mentioned that he discussed his recommendations with Chief Fraitzl last week. He noted some were agreed upon and some were of concern to the Chief.

MOTION: by Mr. Cutter

Move to reduce Account 4220.10, Fire Department, by \$4,566

SECOND: by Mrs. Douglas

Mr. Cutter indicated this reduction is based on Line 127, Training Wages. He noted that he is setting the line to \$50,000, which is still \$5,000 higher and meets the needs of the new hires.

Mrs. Fordey commented part of the rationale for reductions are that wages have changed and increased and more funding is needed for that.

Deputy Nicoll indicated the increases were merit based and based on the average amount of people that come to our trainings. He noted from March to May 2020 we did not participate in any training at all, but after May we trained with small groups and have moved on to the larger groups. He commented with what is happening we are resuming small group training, but we will train as long as we can. He pointed out that this training is in person as we cannot train virtually.

Mr. Son asked if it is fair to say the proposed increase in training wages is closely associated with new member training required of the new hires.

Deputy Nicolls indicated it is a combination of members because training wages is also for call firefighters that come in to be trained and any new hires.

Mr. Son asked if the hours associated with 3 members is a requirement by law.

Chief Nicoll indicated that those hours are for Firefighter I level training at the State level and required to be certified.

Mr. Cutter indicated there is extra budgeted in the seminar line that could cover some of the costs for training that is required.

Mr. Taylor commented that you are paying wages for training and there is overtime. He asked for an explanation of overtime training.

Deputy Nicoll explained that he and Paramedic Kelly are scheduled for 40 hour work weeks and are augmented by call firefighters if a call comes in. Full time overtime pays for mandatory training that is required to keep up EMT certification (medical classes) and firefighter skills have to be kept up, as well as be able to evaluate call firefighters. He noted we need to know the skills the call firefighters have. He indicated that overtime also covers overnight hours, but between the hours of 5 AM and 8 AM, there is no one to cover calls. He mentioned that from 3:30 pm to 6 PM we cannot guarantee who is in town to cover those calls. He added that he and the paramedic cover those calls and often do not put in for overtime because we care about the townspeople.

Mr. Son commented that Mr. Taylor is referring for overtime for training and not in response to calls. He asked how overtime for training connects with training wages.

Deputy Nicoll indicated full time overtime training is specifically for medical training for the EMT and for regular firefighter training. Fire training is every 2nd and 4th Wednesday for 3 hours; medical training is 3 hours; officers training is 3-4 hours.

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

MOTION: Mr. Cutter

Move to reduce Account 4220.10, Fire Department, by \$2,500

SECOND: by Mrs. Douglas

Mr. Cutter indicated that he discussed the reduction to Line 149, Overtime Training, with Chief Fraitzl who was amendable to it.

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

MOTION: Mr. Cutter

Move to reduce Account 4220.10, Fire Department, by \$49

SECOND: by Mrs. Douglas

Mr. Cutter indicated that he discussed the reduction to Line 810, Mileage & Tolls, with Chief Fraitzl who was amendable to it.

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

MOTION: Mr. Taylor

Move to reduce Account 4220.10, Fire Department, by \$2,000

SECOND: by Mrs. Douglas

Mr. Taylor indicated the reduction is for Line 430, Repairs/Maintenance, to get the annual HVAC maintenance down to what the Town pays. He asked if there are more units at the fire station that causes the higher cost than the Town Hall.

Mr. Brown indicated the HVAC system at the fire station is an elaborate system and there is much more involved with filter changes and inspections. He noted it is much different than the units at the Town Hall, which is more standard.

Mrs. Douglas commented that the system also handles different levels of smoke evacuation and contamination.

Mr. Taylor commented he wanted to make sure the number was based on solid numbers and not on estimates.

Mr. Brown indicated that we will have a full year of solid costs next year.

Mrs. Douglas asked if the system was under warranty for the first year.

Deputy Nicoll indicated the warranty expired and does not cover regular building maintenance.

VOTE: The motion failed by roll call vote: *Mr. Taylor, no; Mrs. Douglas, no; Mr. Hodgkins, yes; Mr. Son, no; Mr. Cutter, no; Mr. Hayes, no; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no.*

- **Fire Hydrants**

There were no motions made to this budget.

- **Code Enforcement**

Mrs. Harrison asked for clarification on the salary for the Code Enforcement Officer, indicating that overtime also seems to be budgeted for that position.

Mr. Brown indicated that he is an hourly employee.

Mr. Hayes asked if overtime is required for his position.

Mr. Brown indicated that Chief Fraitzl described we are experiencing overtime after hours, such as on a Friday night or on the weekend to follow up on enforcement issues. He explained this position also attends Zoning Board and Planning Board meetings as needed. He noted there is a difference between compensatory time and overtime. With compensatory time, an employee will ask in advance if they can first receive overtime and if approved, it is paid at time and a half. He commented we do not have the right to demand an employee be paid compensatory time in lieu of overtime.

Deputy Nicoll commented the previous Building Inspector was an employee of the Town and a Supervisor who was a salaried employee with no overtime. He explained once the position was reclassified to the Fire Department the position became hourly and overtime is based on the event of an emergency that could occur after hours, which has occurred in the past.

MOTION: Mr. Taylor

Move to reduce Account 4241.20, Code Enforcement, by \$1,092

SECOND: by Mrs. Douglas

Mr. Taylor indicated the reduction is for Line 140, Overtime.

VOTE: The motion carried by roll call vote: *Mr. Taylor, yes; Mrs. Douglas, yes; Mr. Hodgkins, yes; Mr. Son, yes; Mr. Cutter, yes; Mr. Hayes, yes; Mrs. Fordey, yes; Mr. Leary, no; Mrs. Harrison, no.*

MOTION: Mr. Son

Move to reduce Account 4241.20, Code Enforcement, by \$1,000

SECOND: by Mrs. Douglas

Mr. Son indicated the reduction is for Line 811, Seminars and Conventions. He explained he looked at the expenditures this year and the 3 year average. He noted this reduction puts the total close in line to the average. He commented many of these sessions are virtual and not being offered in 2021.

Mrs. Fordey commented that she understands this training is required for certification.

Mr. Brown indicated that Mrs. Fordey is correct. He explained there are certain levels of education required for which the Chief has budgeted over the next 12 months. He commented he is not sure how COVID may impact this training, but the Code Enforcement Officer has been training all along.

Deputy Nicoll indicated that the Incident Command Certification training courses have different modules and are priced differently for the classes. He noted each week the officer is taking classes online and taking advantage of modules that may come up. He added it takes a couple of years to get certified in all classes that are required.

VOTE: The motion failed by roll call vote: *Mr. Taylor, yes; Mrs. Douglas, no; Mr. Hodgkins, yes; Mr. Son, yes; Mr. Cutter, no; Mr. Hayes, yes; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no.*

MOTION: Mr. Taylor

Move to reduce Account 4241.20, Code Enforcement, by \$4,000

SECOND: by Mr. Cutter

Mr. Taylor indicated the reduction is for Line 560, Dues, Licenses & Subscriptions. He commented that what is budgeted is too expensive for the Record Management service. He noted if the company is going to charge that much he would question it.

Mr. Brown indicated the software has already been purchased and employees trained. He commented that we did not have permitting software in the past and the Town has received a lot of good feedback from the residents.

Mrs. Douglas asked if the cost to homeowners can be increased. Mr. Cutter indicated that is a discussion of the Select Board. Mr. Leary indicated the Select Board is looking at the fees.

VOTE: The motion failed by roll call vote: *Mr. Taylor, no; Mrs. Douglas, no; Mr. Hodgkins, no; Mr. Son, no; Mr. Cutter, no; Mr. Hayes, no; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no.*

MOTION: Mr. Cutter

Move to reduce Account 4241.20, Code Enforcement, by \$100

SECOND: by Mr. Taylor

Mr. Cutter indicated the reduction is for Line 550, Printing. He believes the line is over budgeted and the reduction aligns the line with historical expenditures.

VOTE: The motion carried by roll call vote: *Mr. Taylor, yes; Mrs. Douglas, yes; Mr. Hodgkins, yes; Mr. Son, no; Mr. Cutter, yes; Mr. Hayes, yes; Mrs. Fordey, no; Mr. Leary, no; Mrs. Harrison, no.*

- **Emergency Management**

Mrs. Douglas asked if the additional \$1,000 budgeted in Equipment Purchases is COVID related or if the line was under budgeted last year. She mentioned she suggested creating a trust fund for COVID related purchases.

Mr. Brown indicated the Select Board has not discussed the creation of a trust fund and the general feedback of this Committee was that the funding is needed until federal funds are available.

There were no motions for this budget.

- **Health Department**

There were no motions for this budget.

- **Mosquito District**

MOTION: Mr. Cutter

Move to reduce Account 4411.20, Mosquito District, by \$99

SECOND: by Mrs. Douglas

Mr. Cutter indicated that the reduction is for Line 610, Supplies. He noted it has been budgeted for several years and never used.

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

- **Animal Control**

There were no motions for this budget.

- **Health Agencies**

There were no motions for this budget.

- **Personnel Administration**

There were no motions for this budget.

- **Revenues**

Mr. Brown reported nothing is projected for permitting fees at this time, but if the Select Board adopts a new fee schedule there will be time to update projections. He explained that it needs to go through a process that includes a public hearing of proposed changes. He noted if it is adopted it will be in place prior to the first of the year. Mr. Brown indicated when preparing revenues they are updated with numbers from the Department of Revenue Administration. He believes there will be an increase in vehicle permit fees. He reported there is a reduction in State revenues representing the one time payment last year for infrastructure. Room/meals tax was projected at a decrease of 20% over the last year, which is an estimate based on what other towns are projecting. The Highway Block grant is decreased and we continue to see a decrease in this line. Zoning and Planning Boards have fee offsets.

Mr. Brown pointed out at the time we set the revenue we decided to use \$87,380 of the unassigned fund balance to address the shortfall in revenues. He noted that is a good use of the unassigned balance and is what it is created for. He was hopeful once we get through COVID things will go back to normal and we will not have to rely on the unassigned fund balance.

Mr. Taylor mentioned that the Nashua Telegraph reported Litchfield will receive \$230,000 in CARES Act funding. He asked if that has been applied or if it will be applied in 2021.

Mr. Brown indicated we have already received those funds and have added them to the 2020 budget, which will assist us with the surplus of \$180,000 we are projecting. He noted it will not have an impact in 2021 other than the ability to remove the 2021 items that were identified.

Mr. Cutter shared with the Committee that \$48,692 has been reduced from the 2021 budget, which brings the budget down to \$7,210,083 or a 2% increase over 2020. He noted this is approximately \$60,000 below the tax cap.

Mr. Cutter thanked the Mr. Brown and Ms. White for their work on the 2021 budget.

- **School Business**

- **Preparation for Joint Budget Review on 11/5 and 11/10**

Mrs. Harrison reported that FY22 budget work has begun and the Business Administrator is finalizing reviews with department heads. The School Board expects to have the Superintendent's budget on Friday prior to the review session on November 5. She noted that the School Board budget work session will be held in the CHS auditorium and will be livestreamed and recorded by LCTV.

Mr. Cutter commented that he has had email exchanges with Mrs. Harrison regarding Budget Committee involvement in the School Board budget work sessions. He indicated during these two meetings the sessions will be led by the School District and the Budget Committee is listening in on them. He noted the Committee is not to interfere with the sessions, but is there to understand budget requests, rationale and district priorities. He added we are trying to streamline the process.

7. MEMBER INPUT / NEW BUSINESS

Mrs. Harrison commented at the last meeting there was a discussion regarding the creation of a new position in the Town budget. She was not sure if her comments were in the spirit of collaboration and indicated that she is fully supportive of hiring positions that are needed. She believes elected officials are definitely responsible for that and understands the concern is about slipping things into the budget without going to warrant, but with the increased flow of communication and transparency we are still accountable to taxpayers. She added she appreciates the need and desire to do the jobs we are elected to do.

Mr. Leary commented the position spoken of is not a new position, but was budgeted and not funded.

Mrs. Harrison agreed and noted that she misspoke on that subject.

8. PUBLIC INPUT

There was no public input.

9. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn the meeting.

SECOND: by Mr. Hayes

VOTE to adjourn the meeting was taken by roll call:

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

The motion carried.

Next meeting: November 5, 2020

The meeting was adjourned at 9:02 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: