

**Minutes of the
Litchfield Budget Committee Meeting
Held on September 28, 2017**

The Litchfield Budget Committee held a meeting on Thursday, August 24, 2017 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: K Douglas (Vice Chair), J Bourque, J Spotts, D Miller, E MacDonald (School Board Representative), J Brunelle (Selectmen Representative)

Absent: C Couture, R Keating

1. CALL TO ORDER

Mrs. Douglas called the meeting to order at 7:00 p.m.

- **PLEDGE OF ALLEGIANCE**
- **REVIEW/ADDITIONS TO AGENDA**

2. INTERVIEW CANDIDATES FOR OPEN POSITION

Mrs. Douglas asked the candidates to provide some background on themselves as well as their interest in serving on the Budget Committee.

Julie Green, 48 Burgess Street, indicated that she is currently employed by the school district and works in the CHS Library as a monitor as well as working with the students in the school store. She noted that she has her MBA, worked at Hewlett Packard and was involved in training for business people. She commented that he has always been involved with the school and has paid attention to the budget. She believes she will be able to attend the Budget Committee meetings with few exceptions.

Jessica Martin, 29 Pearson Street, indicated that she graduated from CHS in 2004 and recently received an MBA with an undergraduate in Accounting. She is currently employed and works with budgets. She commented she was interested in serving on the Budget Committee last year and feels she would like to give back to the community. She believes she will be able to attend the Budget Committee meetings.

Mrs. Douglas commented that previous warrant articles approved by the voters have been the center of discussion. She explained the articles are relative to direction for adding new positions and programs and providing greater voter choice. She asked each candidate if they plan to support those articles.

Ms. Martin commented that she would like to read and digest the articles before answering. However, she indicated if everyone else is on board with it, she would most likely agree.

Ms. Green asked if there would be an opportunity to discuss the positions. She indicated that a blanket article would be difficult for her to support.

Mrs. Douglas commented that the Budget Committee received guidance regarding new positions. She indicated if an additional teacher is necessary, that position would not have to go on the warrant, but if the district wants to increase a part time assistant principal to full time, it would have to be placed on a warrant article. She noted that new programs, technology and large building maintenance expenditures would be required to be placed on the warrant.

Ms. Green indicated if it is all inclusive she will not be able to support the previous article.

Ms. Martin indicated the expenditure would have to be justified somehow. She commented she does not know that the voters need to vote on every single thing. She noted she would probably not support the previous article.

Mrs. Douglas asked Budget Committee members if there were any questions for the candidates.

Hearing none, she asked for a motion to appoint one of the candidates to the vacant position.

MOTION: by Mr. Miller

Move to appoint Jessica Martin to the vacant position

SECOND: by Mr. Spotts

VOTE: 2-3-1

The motion failed.

MOTION: by Mrs. Bourque

Move to appoint Julie Green to the vacant position

SECOND: by Mrs. MacDonald

VOTE: 3-2-1

The motion carried.

Mrs. Douglas congratulated Ms. Green and directed her to contact Mrs. Couture regarding paperwork and being sworn in by the Town Clerk.

Mrs. Douglas thanked the candidates for their interest and coming forward.

3. PUBLIC INPUT

There was no public input.

4. REVIEW/ACCEPTANCE OF MINUTES

- **August 24, 2017**

MOTION: by Mr. Miller

Move to approve the minutes of August 24, 2017 as amended

SECOND: Mr. Spotts

VOTE: 5-0-1**The motion carried.****5. CORRESPONDENCE**

There was no correspondence.

6. REPORTS

- **School Business**

1. General Updates

Mrs. MacDonald reported that the School Board will begin the Superintendent search process by sending out a survey. She indicated the search screening committee will consist of the Director of HR, the Business Administrator, 1 Administrator, 3 Teachers, 3 LSS Members, 1-2 Students, 2 Parents, and 2 Community Members. She noted the teachers will be chosen by the schools and the School Board will appoint community members that are interested.

Mrs. MacDonald reported the Capital Planning Committee will be meeting in two weeks to discuss the building assessment report.

- **Enrollment**

Mrs. MacDonald reported there is no update on enrollment at this time.

2. End of Year Expenditures on IT

Mr. Miller indicated he made a request for a list of what equipment was actually purchased.

Mrs. MacDonald indicated she will bring it back up to the School Board.

Liz – will bring it back up to Board

- **Town Business**

1. General Updates

Mr. Brunelle deferred to Mr. Brown, Town Administrator.

Mr. Brown reported the Town is entering the fourth quarter of the 2017 budget; new fire hydrants due to come online in 2018 have come online earlier, which was not expected; funding with special legal counsel with regard to St. Gobain needs to be fully addressed. Mr. Brown commented that the funding is relative to our legal discussions with St. Gobain about being compensated. He noted we are coming to a resolution to matters that impact the town itself.

Mr. Brunelle commented the Board of Selectmen have always had this business in mind. He indicated that they were always thinking about the impact to the town. He noted it has been a good process, but the challenge was the fire hydrants and the field cost.

Mrs. Douglas asked if St. Gobain will cover those costs. Mr. Brunelle commented it is not been determined. Mr. Brown indicated it is one of our demands.

Mr. Brown reported the Board of Selectmen is firming up the 2018 budget. He commented it will be another tight budget year. He indicated the highway department was significantly impacted and depends on what happens this quarter. He reported there is one vacant position in the police department.

2. Budget Update

Mrs. Douglas asked how far the tax cap has been exceeded without the inclusion of warrant articles.

Mr. Brown commented that the tax rate has not yet been set and based on a calculation projection, the budget exceeds the tax cap by \$84,348. He indicated that there is \$0 placeholder for the fire station bond. He noted that confidence is high that the Veterans Credit will be \$119,902 and we will not know the increase until April 2018. He does not indicate a large increase.

Mr. Brown provided 2018 budget highlights. He reported:

- Articles are narrowed down, but not yet approved by the Board of Selectmen;
- The town is still working on the fire station design;
- There are nine articles at this time;
- No article for road maintenance (\$200,000) because St. Gobain did much work at the north end of town and the Town received additional Block Grant funds;
- Health Agencies will be included in the budget.

Mrs. Douglas does not believe that Health Agencies belong in the budget. Mr. Brunelle indicated people can make a change at Deliberative Session.

Mr. Brown continued:

- Health Agencies has been funded annually as a warrant article;
- The Recreation Commission Board is doing a lot of work;
- the field maintenance contract expires this December and an RFP will go out;
- Continental Paving restructured the basketball courts and the repaving costs are being discussed;
- The costs for Jeff Lane are unknown at this time;
- Default budget is not completed as we are waiting for several pending items (i.e. health insurance, P & L, WC, non-union wage adjustments).

Mr. Miller asked for an explanation of how wage increases are included in the default budget. Mr. Brown explained they are basically a contract and were granted in 2017. Mr. Brunelle added the increases that were given in 2017 were based on the wage plan and the money we put aside for it.

Mr. Brown continued with his report:

- The Police Prosecutor contract is up in December;
- The Town Administrator performance review will be done by the Board of Selectmen.

Budget Assumptions

Mr. Brown provided assumptions that were used in preparing the 2018 budget:

- Prices for gas and diesel were held at the 2017 levels;
- Propane cost increased to \$1.34/gallon (based on the school district contract);
- A 5% increase was built into the electric costs;
- A 10% increase was used for health insurance until the Town receives the GMR (guaranteed maximum rate);
- The tax base is projected to increase \$8M this year.

General Highlights

- Hydrants have increased by \$153,000;
- Legal increased by \$60,000;
- Increase of \$30,000 in the Fire Account for fire safety tools;
- Increase of \$45,000 in the Police Account for the purchase of one cruiser;
- Union wage increases (moved to performance based plan with reviews);
- A new police officer was added (2017 warrant article 6);
- Non-union wage increases;
- Increase part time Town Clerk/Tax Collector hours;
- Building Inspector change.

3. Fire Station

Mrs. Douglas shared a letter from Brent Lemire (Board of Selectmen), with the Budget Committee that noted a change in town structure that would combine code enforcement and health functions into a division in the Fire Department. The consolidation became effective September 17, 2017.

Mr. Brown explained the transition is in place and the plan is to go slowly. He commented that it makes more sense to have this consolidation be under the purview of the Fire Chief.

Mr. Brown reported that surveying crews have been on site and plugging in data. Funds from impact fees and what was raised at Town Meeting have been allocated for the architect so he can change the existing plans and adapt them to a long-term plan. The Police Department has hired an architect (with authorization from the Board of Selectmen) for a needs analysis for the cost of building a police station that would meet the long-term needs of the community. RFPs have gone out for construction managers for the fire station. Six candidates were scored and have been narrowed to four. The Board of Selectmen authorized the Fire Chief to put together a committee to determine who is best for the job. The goal is to have a guaranteed maximum price before going forward. Mr. Brown indicated there will be public meetings and the Budget Committee was invited to have a member on the committee.

Mrs. Douglas asked if there are any plans for what to do with the existing fire station. Mr. Brown indicated there is not plan at this time.

Mrs. Douglas commented one of the reasons we supported the fire station complex is because we did not want to put money into an aging building. Mr. Brunelle commented the existing building could be used for storage, but it has not yet been decided.

Mrs. Douglas commented the cost for the existing building should be factored in. Mr. Brunelle commented that the existing fire station cannot accommodate today's equipment required to fight fire.

Mrs. Douglas indicated that a plan would be needed to present to the community. Mr. Brunelle indicated the reason we are changing the plans for the fire station is because we are trying to think ahead.

Mr. Brown commented there was discussion on the number of bays for the station. He noted at this time we are working on a five bay design.

Mr. Miller asked how long after it is built will the town want a full time staff. He commented people will base their decision on that expectation. Mr. Brunelle indicated that is not being presented nor discussed.

Mr. Brown commented the next step after the station is built will be purchasing apparatus. Mr. Brunelle indicated we have to face the challenge of the tax cap. He noted it is important for voters to have a choice.

Mr. Miller asked how the bond article fits into the tax cap. Mr. Brown indicated it will include the payment for the first year.

Mr. Miller commented the interest payment for the first year would be in the article; the second year there would be an increase in the budget.

Mr. Brown indicated we will take on full interest and the principal payment in 2019, but we may absorb the hydrant and legal increase from 2018.

Mrs. Douglas asked how many of the roads in the North end of town were on the roads five year plan. Mr. Brown indicated not many of the roads in the North end were on the list as some were in good shape. He reported that he and Mr. Pinciario completed updating the five year plan and have taken the approach to resurface roads for longer life. He noted if we are looking at reduced funding over the next five years we may have to look at less work on the road surfaces.

Warrant Articles

Mr. Brown reviewed draft warrant articles.

Article 3: Fire Station Bond
 Article 4: Operating Budget
 Article 5: Full Time Police Officer
 Article 6: Plow Truck Lease Purchase
 Article 7: Year 3 of Wage Plan
 Article 8: Town Earned Time Accrual Fund
 Article 9: Building Systems Trust Fund.

Mrs. Douglas asked how much is in the unassigned fund balance. Mr. Brown indicated that after meeting with the auditors it was determined there is over \$1.2M in the unassigned fund balance. He commented the town has been fortunate with year end unexpended funds and we are not using as much overlay for tax abatements. He noted we end up putting money into the fund even if we use some of it for other things.

Mrs. Douglas asked about the plow truck article. Mr. Brown noted the town has three plow trucks and two will not pass inspection next year because of frame work. One front line plow truck is 8 years old with a life expectancy of 15-18 years. Mr. Brown indicated it is difficult to find contractors and we are finding contractors provide a driver who uses our truck. He commented the contractors' trucks are 20+ years old and not in good shape. He indicated we need to make sure we have the vehicles to serve the community.

- **RSA 32:22; Review of Expenditures**

8. MEMBER INPUT/MISCELLANEOUS BUSINESS

- **Budget Committee Recommendation on Articles over Tax Cap**

This topic was addressed earlier in the meeting.

There was no member input.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Bourque

Move to adjourn

SECOND: by Mr. Miller

VOTE: 6-0-0

The motion carried.

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

Recorded by: Michele E. Flynn, Recording Secretary

Approved: