

**Minutes of the
Litchfield Budget Committee Meeting
Held on October 12, 2017**

The Litchfield Budget Committee held a meeting on Thursday, October 12, 2017 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), R Keating, J Bourque, J Spotts, J Bourque, J Green, E MacDonald (School Board Representative), J Brunelle (Selectmen Representative)

Absent:

1. CALL TO ORDER

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

- **PLEDGE OF ALLEGIANCE**

- **REVIEW/ADDITIONS TO AGENDA**

Additions to the agenda included the tax rate, legal opinion on article recommendations, the fire station committee membership relative to the Budget Committee and the District technology spend ahead information.

2. PUBLIC INPUT

There was no public input.

3. CORRESPONDENCE

Mrs. Couture commented that the Budget Committee did not have a quorum on October 5, therefore, the transcription from any discussion that evening would not be subject to official minutes and approval. She suggested that the document is for information only.

Mrs. Couture mentioned that she forwarded information from the Town Administrator regarding a question that was asked, but may not have included the original question. She indicated she will clarify the question when the topic is addressed.

4. BUDGET REVIEW: TOWN

- **4550.2 Library**

Vicki Varrick, Aaron Cutler Library Director, presented the proposed 2018 Library budget with a total of \$242,448. She indicated the requested increase of \$5,338 is the result of the year two wage implementation that was approved on a warrant article from last year, a water estimate increase and an increase in electricity.

Mrs. Couture asked about donations that help fund some of the programs and passes to museums. Mrs. Varrick indicated the Friends of Cutler Library contribute to provide the passes

and donations come from local businesses so we can run programs and purchase prizes for the summer.

Mrs. Couture asked if most of the programming is run during the summer. Mrs. Varrick indicated the Library runs monthly programs as well. She explained that they make a bulk purchase at the end of the year for the prize inventory.

- **4311.1 Road Agent**

Mr. Brown presented the proposed 2018 Road Agent budget with a total of \$45,850, which is an increase of \$1,192 over 2017. He indicated the increase includes a stipend increase for the road agent of \$1,000 and an increase in propane cost.

Mrs. Couture commented one of the items is consulting/engineering fees and storm water management. She indicated that last year the Budget Committee was told it would be a recurring cost, but that it would not necessarily be \$20,000. She noted she asked for an accounting on what was spent this year.

Mr. Brown noted that he provided a link to the information regarding the DES storm water permit history:

Storm water is frequently transported through municipal separate storm sewer systems and discharged (untreated) into local water bodies. The goal of the MS4 permit is to reduce the pollution caused by the storm water. Municipalities are required to comply with the regulations. Phase I began in 1990. Phase II regulation was issued in 1999, but the initial permit was not established until 2003, which consisted of annual requirements for reports and public outreach. That permit expired in 2008, but remained in effect until a new permit becomes available. In January 2017, the permit was reissued with an effective date of July 1, 2018, which gives communities 17 months to plan, budget and comply with the new permit. The first step, when the new permit goes into effect next year, is to apply by October 2018. The deadline to have all the system mapping is July 1, 2019, which consists of identifying all the catch basins, storm water management systems, identifying the location of all the falls and where the pipes go). Some in-house engineering services will be utilized. In order to identify problems, samples have to be taken. A discussion occurred at the Southern NH Coalition regarding towns involved in contributing \$2,000 each to use as seed money and to become members of the coalition.

Mr. Brown indicated \$20,000 is a good number until the work begins. He noted we will learn more as we go forward.

Mrs. Douglas asked what happened to the money set aside for this (i.e. \$20,000 last year and \$30,000 the prior year)?

Mr. Brown indicated if it is not expended it is rolled into the general fund. He reminded the Committee the town was significantly impacted by the recent winter and the money will help toward the overspend in this department.

Mrs. Couture suggested encumbering [from unexpended funds at the end of this year] some of the funds needed for this endeavor based on the information regarding the coalition meetings and seed money. She indicated that will help several other areas of the 2018 budget.

Mr. Brown commented the budget will be extremely tight due to the increased hydrant rental cost, the reduction to health insurance by the Budget Committee and the overruns in other departments. He noted the Board of Selectmen always look at unexpended funds.

Mrs. Couture commented that money was budgeted and it sounds as if some work has been started. She suggested it would be wise to encumber some funds for this.

Mrs. Douglas commented the money was allocated for this purpose, the town did not spend the money for this purpose and is asking for more money next year.

Mr. Brunelle commented if the bottom line runs to zero, there is nothing to encumber.

Mrs. Douglas commented that difficult decisions have to be made and other decisions need to be made to bring the budget in line.

Mr. Brunelle indicated the Board of Selectmen is looking at costs and trying to reduce accounts. He explained there are several overages that were not expected (i.e. legal, hydrants).

Mrs. Couture commented approximately 25% of the budget is remaining and as we get closer we can revisit it. She indicated that she understands the uncertainty; however, the \$20,000 was allocated and if there is a chance it can be encumbered the Board of Selectmen should look at it again.

Mr. Miller commented that Mr. Brown mentioned the Budget Committee cut items. He clarified that the Budget Committee reduced items to meet the tax cap.

Mr. Brown commented that he was only pointing out a reduction was made and that money has to be made up. He indicated the intent was not to blame anyone.

- **4312.1 Highways and Streets**

Mr. Brown presented the proposed 2018 Road Maintenance budget with a total of \$676,164, which is an increase of \$41,731 over the 2017 budget. He reported that wages increased \$5,816; contracted services for plow contractors increased \$3,846 due to the hourly rate increase for contractors that drive their own trucks; a tree removal increased \$3,875 as there are trees hanging over roads that need to be dropped and cleared and require the use of a crane; catch basin replacement increased \$3,500 as in some cases the pipes connecting the basins are rusting out.

Mrs. Douglas asked if block grant money can be used for repaving the road when catch basins are replaced. Mr. Brown indicated that the town is looking into that. He noted that cameras will be used to determine what will need to be replaced.

Mrs. Douglas commented that she would like to see a warrant article for the highway block grant again.

Mr. Brown reported that vehicle field increased \$1,000 due to a rise in run rate; vehicle maintenance increased \$5,000 due to an aging fleet; sand increased \$2,500 and salt increased \$16,200. He indicated we are trying to get the sand budget line up to the \$5,500 request. He noted that the department does its best to use the sand/salt mixture when we are running low on salt.

Mr. Pinciario pointed out that we have to mix the salt and sand ourselves. He indicated that we never recovered from the year we had the bad snow storms and used all our salt and sand budgets. He noted we do not have any reserves and last year's sand money was low. He commented this year the sand budget is low as well. Mr. Pinciario noted those are the lines that have to be funded so we can get back to the point we were in the recent past.

Mrs. Douglas commented if we want to get back to where we were, why not put this on a warrant article. She noted there are emergency funds that can be used to refill it.

Mr. Keating asked if the voters do not approve the article, what will the town do. Mrs. Douglas commented that legal counsel can word the article and explain it is to replenish extra stock.

Mrs. Couture commented that the tonnage budgeted (1800 tons) is the right number based on past expenditures.

Mr. Pinciario mentioned all the trucks are computerized so we can monitor how much we use and what we use.

Ms. Green asked if there was any information about regarding how much it has increased over the years. Mr. Brown indicated it has been stable.

Mrs. Couture observed that it appears there was a \$90,000 request in 2014 and we added hours and a position with an increase in 2016 as well as this year. She commented that she reviewed overtime since 2014 and it seems that overtime drops down significantly in current years. She indicated as we added people and time, overtime has decreased and we will be looking at that area.

Mr. Brown explained the reason that occurred is because our part time employee over the last two years was available only available to work days and not evenings. He noted that person has left and we are recruiting a new person who we will make understand that he will be working with Mr. Pinciario in the truck to help him.

Mrs. Couture commented we had a decrease because someone was volunteering and not because we had someone out there.

Mr. Brown clarified that the person was not volunteering. He was only available during the day and not at night.

Mrs. Couture commented in 2016 when we saw wages go from \$90,000 to \$116,000 overtime decreased and it carries on to the following year.

Mr. Pinciario indicated he was not available weekends during snow events during those years.

Mr. Brown commented the part time person that held that position could not work overtime and we had to use contracted drivers.

- **210.1 Police Administration**

Chief O’Brion presented the 2018 proposed Police Administration budget with a total of \$1,644,322, which is an increase of \$36,318 over 2017.

Chief O’Brion reported salary increases are contractual, overtime wages are contractual, Overtime Court is contractual.

Mrs. Couture indicated that to date there is a little under \$2,500 spent and asked about the impact of that reduction. Mr. Brunelle indicated that was 2016.

Mrs. Couture asked why there is an increase of \$4,000 for 2018. Chief O’Brion indicated there is an additional officer from the approved warrant article and there is an active group of officers out there, which increases the amount of arrests, tickets and court time.

Mrs. Couture commented that court overtime is almost \$10,000 over budget. She asked why so little has been expended this year.

Captain Sargent explained that the police department has been short staffed. He noted the two new officers are at the academy and some shifts are covered by the sergeant and the captain. He indicated when the officers come out of the academy they are ready to apply the skills they learned and we tend to see an increase in court time. Captain Sargent commented sometimes there is a learning curve to the newly trained officers that comes with court overtime.

Chief O’Brion commented we are short four officers; two are in the academy, one is in the military and one left to be hired.

Mrs. MacDonald asked if they will hire an officer to come into the schools. Chief O’Brion indicated Officer Corl will be returning.

Mrs. Couture observed that Overtime Training remained the same.

Chief O’Brion reported uniform allowance is contractual, uniform detail was reduced \$3,000, insurance is handled by the town and Mr. Brunelle handles IT.

Mr. Miller asked how many police officers actually take the health insurance. Mr. Brown indicated nine officers take health insurance.

Chief O’Brion reported equipment maintenance includes the contract for the copier and pre-employment screening includes costs for the hiring process of the officers.

Mr. Miller suggested putting all costs for officers in a warrant article.

Chief O’Brion reported there was an increase in vehicle repair due to the increase in tire costs; uniforms and accessories are contractual; there is only one cruiser purchase in the budget and the vehicle with 95,000 miles will be put into detail.

Mr. Keating asked where the funds that are saved go. Mr. Brown indicated they go into the special detail revolving fund, which is used for maintenance, repair, and fuel for those cars.

Mr. Keating asked for a breakdown of the fund. Mr. Brown indicated he will provide it.

Mr. Miller commented that there is currently \$16,000 in seminars. Chief O’Brion indicated that it is paid out in the Overtime Training salary line. He noted it is a payroll item and cannot come out of the seminars account.

- **4210.5 Police Support Services**

Captain Sargent presented the 2018 proposed Police Support Services budget with a total of \$160,515, which is an increase of \$9,728 over 2017. He reported dispatcher wages are contractual, there is an increase in dispatcher coverage as full time employees cover for vacations, etc., the dispatch overtime has been reduced \$3,000 as the part time dispatcher is no longer being used, the uniform allowance is contractual as are the uniforms/accessories.

Mrs. Douglas asked if there is anyone who elected different coverage for health insurance. Mr. Brown indicated there are two retired employees and both are single plans.

Mr. Miller asked why dispatch was \$49,000 in 2016, lower in 2017 and \$59,000 in this budget. Captain Sargent explained there is a different dispatch with 20 years experience who as working part time and came on full time. He noted the higher pay rate is because of his experience.

- **4414.1 Animal Control**

Chief O’Brion presented the 2018 proposed Animal Control budget with a total of \$19,415, which is an increase of \$3,859 over 2017. He indicated there is an increase in the officer’s salary as this employee has been with Litchfield for 20 years with no increase. He noted that the police department looked at three different agencies and averaged the salaries.

Police Warrant Article

Chief O’Brion reported the warrant article for an additional officer was approved last year. Currently two men cover the shift. He indicated if we bring on the additional officer it will alleviate overtime. He explained as a team we examined schedules and overlaps in shifts and if we use that officer we can save approximately \$50,000, and \$14,000 in retirement.

- **4520.1 Parks and Recreation**

Mr. Brown presented the 2018 proposed Parks and Recreation budget with a total of \$86,602, which is an increase of \$2,227 over 2017. He noted a chemical toilet rental of \$1,384 was added for Jeff Lane.

Mrs. Couture commented there is a chemical toilet at Darrah Pond in the budget for 12 months. She asked if it is really there over the winter.

Mr. Brown indicated it is kept there for winter activities.

Mr. Brunelle commented that an RFP went out for field maintenance and bids have not yet been accepted, but the amount in field maintenance will change.

- **4150.2 Information Technology**

Mr. Brunelle presented the 2018 proposed Information Technology budget with a total of \$106,083, which is a \$15,638 increase over 2017. He reported telephone/data increase is in the run rate, the software support increase is for improving the ability to prevent and stop breaches, domain services have to be purchased as a subscription and have increased, the equipment maintenance increase is due to contracts. He explained the contracts are purchased annually as we tried to get a 3 year contract last year, but it was not accepted. He noted much of the equipment is now obsolete. Mr. Brunelle reported the IT Manager stipend increase is because of assistance to the police department with their technology.

Mrs. Douglas asked why a contracted manager was not implemented a few years ago. Mr. Brunelle indicated it would be a full time person and does not include the same level of service.

Mrs. Douglas commented at that time combining the town and school was mentioned. Mr. Brunelle indicated with all the changes that occurred in the schools it did not work out. He noted the town cannot ride the same bandwidth as the school has in the past.

Mrs. Bourque asked how the stipend was calculated. She asked if there is comparative data. Mr. Brown indicated it was compared with contracted services in other towns.

Mr. Brunelle commented the increase is from \$25 per hour to \$38 per hour, which is his recommendation and not the recommendation of the Board of Selectmen, who wanted to make it higher. He reported the equipment purchases increase is due to the new copier lease for the town all and police department and computer upgrades.

- **4155.1 Personnel Administration**

Mr. Brown presented the 2018 proposed Personnel Administration budget with a total of \$646,626, which is an increase of \$61,268 over 2017. He reported the number in the Workers Compensation line is a placeholder as they have not yet received the rate. He noted increases in the budget are driven by wage increases, retirement and social security taxes. He indicated we are holding \$15,000 in the wage expense line for performance reviews.

Mrs. Douglas asked how the wage increases are distributed for performance reviews for non-union employees. Mr. Brown commented the top people received a 3% increase, people that did their job received a 2% increase and others did not receive an increase.

Mrs. Douglas commented that it is fascinating how employees received increases for just doing their jobs.

Mr. Brown clarified that those who exceeded expectations received 3%, those who met expectations received 2%.

Mrs. Bourque commented that is the same methodology that is used in the private sector.

Mrs. Couture commended Mr. Brown for implementing performance reviews.

- **4194.1 General Governmental Facilities**

Mr. Brown presented the 2018 proposed General Government Buildings budget with a total of \$93,674, which is a \$9,644 increase over 2017. He noted the increases are in utilities and water based on run rates and estimated increases; the gasoline increase is driven by an increase in use.

- **4196.9 Town Insurance**

Mr. Brown reported the town is waiting for the rates for Property/Liability and Workers Compensation.

Mrs. Douglas commented there should be a separate fund for deductibles.

- **4411.2 Mosquito District**

Mr. Brown presented the 2018 proposed Mosquito District budget with a total of \$31,150 with no change over 2017.

- **4415.1 Health Agencies**

Mr. Brown presented the 2018 proposed Health Agencies budget with a total of \$2,320.

Mrs. Couture asked why it was included in the budget. Mr. Brunelle indicated this matches what we did last year.

Mrs. Douglas commented reducing this account is a nice way of reducing the budget under the tax cap.

- **4445.2 Vendor Payments/ Welfare**

Mr. Brown presented the 2018 proposed Vendor Payments/Welfare budget with a total of \$10,000, with not change over 2017.

- **4583.1 Patriotic Purposes**

Mr. Brown presented the 2018 proposed Patriotic Purposes budget with a total of \$1,250, with not change over 2017.

- **4611.2 Conservation**

Mr. Brown presented the 2018 proposed Conservation budget with a total of \$2,860, with not change over 2017.

Mrs. Couture commented that she understood they were not going to do the fishing derby. Mr. Brown indicated that the town asked about it and the commission said they were not going to do it, but since that time younger volunteers want to be actively involved.

- **4723.1 Debt Service**

Mr. Brown presented the 2018 proposed Debt Service budget with no change. He reported that the town has just started to reach out to the bond bank and learned bonding for the fire station would not be required until 2019. He explained if the bond article is approved, they will sell the bond in July, the first payment would be interest only and due in February 2019, and the next payment due in July 2019 would be principal and interest.

- **Revenues**

Mr. Brown presented 2018 revenues to the Budget Committee. He commented those revenues are used to set the tax rate. He noted car registrations have increased.

5. Tax Rate

Mr. Brown reported the approved tax rate is \$22.49.

Mrs. Couture indicated the tax rate is for information only.

6. Budget Committee Recommendation Legal Opinion

Mrs. Couture commented earlier this fall a question arose about the tax cap, specifically with regard to articles the Budget Committee would like to recommend. The question was if it is possible to designate that the article was not recommended due to the overage in the tax cap. Mrs. Couture indicated that legal opinion clarifies that cannot be notated, but nothing prevents the Budget Committee from writing letters to the newspaper or communicating to the public why the article is not being recommended.

6A. Fire Station Committee

Mrs. Couture asked when committee that was created to look at costs, etc. for the fire station will meet and conclude. Mr. Brown indicated the committee will meet over the fall and continue to March 2018.

Mrs. Couture mentioned over the years there have been differing opinions regarding Budget Committee members sitting on committees like this as voting members to bring to that committee the view of the Budget Committee and information back to the Budget Committee. She explained there was concern when one of the elementary school proposals was brought forward and one year the Budget Committee did not support it. She noted there were hard feelings and the Budget Committee decided no members would participate in any committees. Mrs. Couture asked Budget Committee members for their input about a member serving on the Fire Station Committee.

Mrs. Bourque commented it would be difficult for any one of us to go and try to represent all of us as there are too many different opinions and feelings. She suggested that member could be a non-voting member.

Mr. Miller believes the Budget Committee will receive ample amount of information from the Board of Selectmen and Mr. Brown.

Mr. Keating commented he would not be able to serve on the committee as a citizen because he believes the town should build a safety complex.

MOTION: by Mr. Miller

Move not to send a Budget Committee to the Fire Station Committee as a representative of the Budget Committee

SECOND: by Mrs. Bourque

VOTE: 8-0-1

The motion carried.

Mr. Brown reminded the Budget Committee that the town has not yet received dental insurance rates, property/liability insurance rates, or Workers Compensation premiums. He is hopeful the town will receive them by the next meeting. He noted that the town received the rate for health insurance that reflects a 17.39% increase and will present that to the Board of Selectmen.

Mrs. Bourque asked if there is past reference to department proposed budgets vs the Board of Selectmen budgets. She explained she is looking for what was proposed to the Board of Selectmen and what was reduced in past years. She noted it appears that only \$20,000 was reduced in the 2018 budget by The Board of Selectmen and the Budget Committee is expected to make the harder reductions.

Mr. Brunelle explained the Board of Selectmen did not know where to reduce either. He commented every year the budget is tighter and the departments and town manager are filtering things out. He indicated he may have the spreadsheets for 2013 – 2016 and will provide them.

Mrs. Bourque commented it feels as though the Board of Selectmen is relying on the Budget Committee to cut the budget.

Mr. Brown commented that his experience for the last two years is that it is more of an agreement between departments and the Board of Selectmen and there is not much of a delta between the two.

Mr. Brunelle indicated the Board of Selectmen are going with what we believe is in the best interest of the town.

Mrs. Douglas asked about the five year replacement plan for equipment, vehicles, etc. Mr. Brunelle indicated there is a capital improvement plan that includes schedules for those replacements.

Mr. Brown indicated he will share the plan with the Budget Committee.

7. SCHOOL

The School report was deferred in the interest of time. Mrs. Couture indicated she distributed the information on the district technology spend ahead.

8. Member Input/Misc Business

Mrs. Couture commented the Budget Committee needs to present a budget under the tax cap. She indicated the Budget Committee will be voting on town budgets on October 26.

Mr. Brown suggested the Chair reach out to LGC legal and ask for their opinion on just a bottom line reduction by the Budget Committee. He believes the response will be that it is the Budget Committee's job to produce a budget. He asked if the Budget Committee makes a bottom line budget reduction, where is he supposed to allocate the reductions on what the Budget Committee recommends according to the DRA forms.

9. Public Input

There was no public input.

10. Adjourn

MOTION: by Mrs. Bourque

Move to adjourn

SECOND: by Mr. Keating

VOTE: 9-0-0

The motion carried.

The meeting was adjourned at 8:25 p.m.

Next meeting: October 26, 2017

DRAFT

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Recorded by: Michele E. Flynn, Recording Secretary

Approved: