

Town of Litchfield, NH
Budget Committee Meeting
October 14, 2021
Litchfield Town Hall

In Attendance:

Members: Andrew Cutter, Chairman; John David Son, Vice Chairman; Derek Barka; Keri Douglas; William Hayes (virtual); Kate Stevens; and Scott Taylor

Selectmen's Rep.: Robert Leary

School Board Rep.: Christina Harrison

Also in Attendance: Troy Brown, Town Administrator; Karen White, Finance Manager; Frank Fraitzl, Fire Chief; Doug Nicoll, Deputy-Chief; Ben Sargent, Police Chief; Thomas Scotti, Captain; and Matt Lepore, Chair of Conservation Commission

1. Call to Order:

a. 7:00 pm - Chairman Andrew Cutter called the meeting to order, followed by the Pledge of Allegiance.

2. Virtual Meeting Attendance:

Chairman Andrew Cutter commented that William Hayes was remote tonight, and the Committee would need to vote to allow Mr. Hayes to participate in the meeting.

Mr. Cutter requested a motion to allow remote participation for the Budget Committee meeting.

Discussion: None

Motion: (Ms. Douglas / Mr. Barka) Motion made.

Roll-Call:

- | | | | |
|----|--------------|---|---------|
| a. | Mr. Cutter | - | Yes |
| b. | Mr. Son | - | Yes |
| c. | Mr. Barka | - | Yes |
| d. | Ms. Douglas | - | Yes |
| e. | Mr. Hayes | - | Abstain |
| f. | Ms. Stevens | - | Yes |
| g. | Mr. Taylor | - | Yes |
| h. | Ms. Harrison | - | Yes |
| i. | Mr. Leary | - | Yes |

Vote: (8-0-1) The motion carried. (Mr. Hayes abstained)

Mr. Cutter asked Mr. Hayes if there was anyone in the room with him and why was he remote for the meeting? Mr. Hayes stated that he was alone, and his reason was that he is still concerned with the Covid-19 variants. He added that he has not been vaccinated for Covid-19.

3. Public Input #1 @ 7:02 pm:

a. There was no one present for Public Input

Public Input ended at 7:03 pm.

4. Review / Additions of Agenda:

- a. Mr. Cutter mentioned that the Committee was going to remove the School Business from the agenda.

5. Correspondence:

Chairman Andrew Cutter reviewed the Correspondence Summary.

a. Town Budget Reports:

- i. October 8, 2021
- b. October 7 – Ms. Harrison shared the School District enrollment report with the Committee.
- c. October 8 – Town Administrator Troy Brown shared updated health insurance rates representing a decrease of 8.1%.
- d. October 10 – Mr. Sullivan shared the October 7 meeting minutes with Mr. Cutter, and Mr. Cutter forwarded the minutes to the Budget Committee on October 13.
- e. October 13 – Mr. Hayes indicated that he would remotely participate this evening.
- f. October 13 – Ms. Varick, Library Director, sent a response to discussion points from the October 7 Budget Committee meeting.
- g. October 14 – Mr. Leary shared clarification/edits needed to the October 7 minutes regarding the Building Inspector position and Town Clerk discussion where the Select Board was not in favor of two part-time 20-hour positions.
- h. October 14 – Mr. Brown provided the Budget Committee with some historical information that was discussed last week.

6. Review / Acceptance of Minutes:

- a. October 7, 2021, Meeting Minutes -

Discussion: None

Motion: (Ms. Douglas / Mr. Leary) Motion to approve the meeting minutes from October 7.

Roll-Call:

- a. Mr. Cutter - Yes
- b. Mr. Son - Yes
- c. Mr. Barka - Yes
- d. Ms. Douglas - Yes
- e. Mr. Hayes - Yes
- f. Ms. Stevens - Abstain
- g. Mr. Taylor - Yes
- h. Ms. Harrison - Yes
- i. Mr. Leary - Yes

Vote: (8-0-1) The motion carried. (Ms. Stevens abstained)

7. Town Business:

a. General Updates

None

b. RSA 32:22: Review of Expenditures

None

c. Review of Accounts

i. Fire Department - 4220.10

Fire Chief Frank Fraitzl and Deputy Chief Doug Nicoll presented the Fire Department Budget. Chief Fraitzl commented that the salary line for the Fire Chief and the Firefighter/EMT are up because of the merit increases from last year's complete evaluation. He noted that the Call Firefighter Wages are down \$12,254. Chief Fraitzl stated that the salaries are down because the Call Firefighters are down a couple of positions, and the Training Wages have also decreased. The Fire Inspector line has an increase of \$121 because of the performance evaluation. He noted that the Overtime for firefighters has increased by \$2,939 because of the adjustment in wages, and the Overtime in Training is down because of the reduction in hours.

The Uniform Allowance remained level-funded. The Health Insurance was reduced by \$6,835, the Dental Insurance was reduced by \$37, the Short-Term Disability was reduced \$256, and the Long-Term Disability was reduced by \$24.

The Computer Software Contracts and the Dispatch Service Contract remained level-funded. The Pre-Employment Screening was reduced by \$3,200, Instructor Services was increased by \$103, the Electricity was increased by \$34, and the Heating was significantly increased by \$7,649. Chief Fraitzl stated that the Water, Station Repairs and Maintenance, and Dues and Subscriptions remain level-funded.

The General Supplies, Community Relations, and Office Supplies remained level-funded. The Postage was reduced by \$50. Chief Fraitzl mentioned that Equipment Repair and Maintenance has a reduction of \$20,000 because they have completed their radio replacement program. He noted that Vehicle Fuel is increased by \$1,600 because of the anticipated increase in costs. He added that they do not pay taxes on the gas.

Chief Fraitzl mentioned that Custodial Maintenance Supplies, Vehicle Repairs, and Maintenance, Books and Periodicals would remain level-funded. The Uniforms and Accessories have a decrease of \$400. The Protective Gear is increased by \$1,750 because historically, they see a 3% increase in costs, but at the end of the month will increase by 8%. He added that they ordered the protective gear in April, which still has not been delivered. The Medical Supplies have an increase of \$1,000. He noted that about \$1,500 of the \$6,000 is for their defibrillators' warranty and maintenance contracts.

The Provisions, Equipment Purchases, Equipment Leases, Vehicle Lease/Purchase, and Mileage and Tolls would remain level-funded.

The Seminars and Conventions have a decrease of \$2,950. He noted that the State re-evaluated the Firefighter 1 and Firefighter 2 training at the New Hampshire Fire Academy, and State funds have offset the programs. In total, the Fire Department reduced its budget by \$27,833.

Mr. Son acknowledged that line items were reduced because of a lack of staffing, and asked if the hiring of additional personnel would affect the reduction in the budget? Chief Fraitzl stated that the Fire Department is down about eight positions, and he does not know how the reduction in the budget would be affected.

Mr. Taylor asked the Chief to justify the increase in the budget for heat? Chief Fraitzl commented that he calculated the amount of fuel used in 2020 and multiplied that by the new fuel cost of \$1.85 a gallon. Town Administrator Troy

Brown mentioned that he looked back at the number of gallons used when the Fire Station was under construction, and he believed that number was skewing the estimated 7,378 gallons. Mr. Brown noted that he would go back and see if the usage was around 6,000 gallons.

ii. Emergency Management - 4290.10

Chief Fraitzl mentioned that the Emergency Management Director, Software Support, Hazmat District, Equipment Repair, and Maintenance and Equipment Purchase remain level-funded. He commented that because of the pandemic, there was a lack of training, and they used the surplus funds to reduce the FY 2022 impact on the community.

Mr. Taylor asked if, after this upcoming year, the Equipment Purchase line would go back to \$328? Chief Fraitzl stated that historically the line had been \$500, but because of the pandemic, they increased it to \$1,500. He noted that initially, the Town did not have any PPE, and the Town was lucky to receive the products from the State at no cost or reimbursed through Federal funds.

The Board commented that they talked about creating a separate line item last year, so the \$1,500 did not become a historical amount once Covid is no longer a significant issue. Chief Fraitzl clarified himself and said that the additional \$1,000 was for any catastrophic event where additional funds were needed.

The Board thanked Chief Fraitzl and Deputy-Chief Nicoll for coming in to present their budget.

iii. Fire Hydrants - 4220.00

Town Administrator Troy Brown mentioned that they are in negotiations with the Pennichuck Water rate settlement. He noted that the Town would see some decreases in the Pennichuck Water fire hydrant rental fees. The agreement is not settled, and once Pennichuck Water rolls out the new rates, the Town will likely notice the decrease six months into 2022.

Ms. Douglas asked why Pennichuck's rate is six times the rate that Manchester charges? Mr. Brown stated that Pennichuck did a cost of service study, and the study shows the calculations that Pennichuck uses to determine the cost of the Fire Protection Services.

Ms. Douglas pointed out that the Town pays around \$1,900 per hydrant (255) to Pennichuck and around \$700 to the City of Manchester for one hydrant. Mr. Cutter asked if Mr. Brown would have better intel before the Committee bottom-line votes? Mr. Brown believed that he would have better intel. Mr. Brown noted that the Select Board would be briefed on Monday regarding the negotiations. He added that the brief would be very educational for the Select Board and the Town of Londonderry.

iv. Ambulance - 4215.10

Town Administrator Troy Brown commented that there are two lines for the Ambulance Budget and noted that it is difficult to determine the annual cost for the Town of Hudson services. The first line is the actual ambulance service charge based on a certain percentage of their Operating Budget. The issue that the Town of Litchfield runs into is that the Town of Hudson runs on a Fiscal Year, and the Town of Litchfield runs on a Calendar Year. Mr. Brown used the 2020 ambulance service charge to estimate the Budget for next year.

Mr. Brown mentioned that the Town of Hudson provides the transportation, and they then do a billing. If they do not receive the billing, they submit a bill to the Town of Litchfield, and the Town is required to pay them for the service.

The Town of Litchfield then sends out a bill to the resident; after 30 days, the Town gives the bill to a third-party debt collector. The third party works off of commission.

The second line is for the bad debt regarding ambulance service. The \$10,000 is used to reimburse the Town of Hudson for providing ambulance service, and the Town of Litchfield then tries to collect the money from the individual who received the ambulance service. Mr. Brown noted that when the Town of Litchfield reimburses the Town of Hudson, they pay the Medicare or Medicaid rate. Ms. Douglas asked if the Town of Hudson has been consistent with their billing to the Town of Litchfield? Mr. Brown confirmed that the Town of Hudson has been consistent and made it easier for him to budget for the service.

v. Police Administration - 4210.10

Police Chief Ben Sargent thanked Chairman Andrew Cutter and the respected members of the Budget Committee for allowing him to present the Police Department Budget, and he introduced Captain Thomas Scotti. Chief Sargent mentioned that the salary for Administration increased by \$4,702, which is a 2% wage increase for the Chief and the Captain.

The salary for Police Officers increased by \$22,975. The main driving cost is the 3% salary adjustment per the union contract that the residents approved of Litchfield. A portion, \$2,000, of the Salary Budget is to reimburse an officer who received his Associate's Degree.

The salary for an Administrative Assistant increased by \$1,342, reflecting the Town's merit-based pay. The Prosecutor's salary increased by \$2,340 and reflected the Town's merit-based pay. Chief Sargent noted that Special Officers, Overtime Officers, Overtime Court, Witness Fees, Uniform and Allowance, and Community Detail had remained level-funded.

Health Insurance decreased by \$29,960, and Dental Insurance increased by \$696. Chief Sargent noted that Long-Term Disability Insurance, Life Insurance, Shredding Services, Emergency Response Team, and Child Advocacy Center remained level-funded.

The Pre-Employment Screening increased by \$1,020, and Printing decreased by \$100. Dues, General Supplies, Community Relations Supplies, Office Supplies, Equipment Maintenance, and Repair remained level-funded.

Vehicle Repair and Maintenance increased by \$4,250, reflecting what they spend annually on brake maintenance. The Books and Periodicals have decreased by \$330, Uniforms and Accessories will remain level-funded, and Seminars and Conventions were reduced by \$3,000 because the Police Academy is offering the courses for free.

Mr. Cutter asked for an update on the rotation for the purchase of a police cruiser? Chief Sargent mentioned that his original budget did include a cruiser, but the Select Board and the Town Administrator asked if the Police Department would purchase a cruiser using this year's budget. He noted that this year there had been short staffing, and an officer was on a military assignment. The budget for this year will allow him to make a cruiser purchase, and possibly one or next year.

Mr. Cutter asked how many Admin Vehicles the Police Department has? Chief Sargent stated that they have two and one unmarked Detective's vehicle.

Mr. Taylor asked if certain things occur in New England that would cause the Community Detail to backlog? Chief Sargent mentioned that the Police Detail would increase as things relating to the schools, fundraisers at Talent Hall, and parades occur. He added that Covid has caused people to do fewer events that require Police Detail.

Ms. Douglas asked if Spooky World reimbursed the Town for Police Details? Chief Sargent stated that Spooky World is a private company, and the budget is only for community details related to Town events. He stressed that the School District does not reimburse for Police Detail.

Mr. Barka asked what the Special Officers were? Chief Sargent stated that the two Special Officers are retired and part-time. One of the Officers is located at the high school, and one position is open. Mr. Barka then asked if the two overtime lines reflected the salary increases? Chief Sargent mentioned that the overtime lines do not reflect the salary increases as he is planning on getting proper staffing levels that will allow him to reduce the overtime costs.

vi. Police Support Services - 4210.50

The salary for Dispatchers increased by \$4,722. Chief Sargent commented that the Department has two Dispatchers that are part of the Collective Bargaining Agreement (CBA), and they will be receiving a 3% wage adjustment.

The Dispatcher Overtime was reduced by \$500. There is a reduction in Health Insurance for \$1,704 and Dental Insurance for \$16.

Mr. Taylor asked if Chief Sargent expected the Dispatchers to be closer to the 2020 Actual Expense or the 2021 Approved Budget. Chief Sargent stated that he felt comfortable reducing the overtime amount by \$500, and he expects that the Dispatchers will start using their vacation and earned time.

vii. Animal Control - 4414.14

The Heating will increase by \$110, and the Building Repairs and Maintenance will increase by \$250.

The Board thanked Chief Sargent and Captain Scotti for coming in to present their budget.

viii. Conservation Commission - 4611.20

Chairman Matt Lepore mentioned that the focus of the Conservation Commission is property management. He pointed out that property management was budgeted at \$1 and is significantly increased to \$2,200 in 2022. The purpose of increasing the line for management is to purchase power tools, PPE, and fuel. Mr. Cutter asked where the Conservation Commission was planning on storing the equipment? Mr. Lepore stated that the Conservation Commission would like to use the shed behind Town Hall and the old Fire Station.

Mr. Cutter asked if the Conservation Commission could borrow the needed equipment from the Highway Department. Mr. Lepore acknowledged that they could borrow equipment, but the problem comes when the Highway Department uses it. Ms. Harrison asked how much a chainsaw cost and Mr. Lepore stated that a chainsaw could cost anywhere from \$300 to over \$1,000. Mr. Cutter commended Mr. Lepore for the great job he does in maintaining the trails.

Ms. Douglas commented that the taxpayers authorized the use of Conservation Funds to fund the maintenance of projects. She asked why the Conservation Commission did not purchase the equipment when they had funds available? Mr. Lepore replied that the Warrant Article authorizes the Conservation Commission to use the funds

based on the powers bestowed upon the Commission by RSA 36-A. He added that the Conservation Commission needs clarification on what they can purchase.

Mr. Lepore mentioned that in 2014 the Town of Litchfield voted on Warrant Article 13 to confirm that this fund may be used for all purposes authorized for conservation funds under RSA 36-A. He would like the voters to specify their definition of Property Management, thus allowing the Conservation Commission to use the funds to purchase needed equipment and supplies. Ms. Douglas encouraged Mr. Lepore to look into the Warrant Article.

Mr. Son commented that he could see leveraging the funds to purchase the equipment, then have a smaller line item for maintenance and the purchase of fuel.

Mr. Lepore commented that Dues and Subscriptions and Publications would remain level-funded. The line for General Supplies increased by \$400, Mileage and Tolls increased by \$35, Seminars and Annual Meeting increased by \$138, and the Fishing Derby was budgeted for \$650.

The Board thanked Chairman Lepore for coming in to present the Conservation Commission budget.

ix. Insurance - 4106.90

Town Administrator Troy Brown stated that the information needed for some of the budgets is not available. The Town Insurance and Other Insurance do not have the premium rates available.

x. Personnel Administration - 4155.10

Town Administrator Troy Brown commented that Personnel Administration has increased by \$84,868. He noted that there is a slight decrease of \$33 for the FSA Administration. Mr. Brown mentioned that Social Security Taxes and Medicare Taxes have increased and are driven by non-union employee wage increases.

The Employee Retirement increased by \$15,932 for regular employees, the Firefighter Retirement increased by 4,129, and the Police Retirement increased by \$56,788. The Wage Expense increased by \$5,000 for non-union employees.

Ms. Douglas asked how much the rate increase was? Mr. Brown stated that the Town pays 14.53% for the employee, 33.88% for the Police Department, and 32.99% for the Fire Department. Last year, the Town paid 11.17% for the employee and 28.0% for the Police Department. Mr. Brown added that the rates he provided will take effect on July 1, 2022.

Ms. Douglas asked if the Worker's Compensation Insurance information would change as the rates became available. Mr. Brown confirmed that the information would be coming with the liability and unemployment rates.

xi. Advertising and Regional Associations - 4197.10

Town Administrator Troy Brown stated that Printing would increase by \$350. This line is used to pay for the voter guide sample ballot. Public Notices and Ads will remain level-funded, and Dues and Subscriptions are estimated to increase by 46.

xii. Health Agencies - 4414.10

Mr. Brown mentioned that this would be a Warrant Article. The Select Board will organize its Committee to review the requests and make its recommendation.

xiii. Planning Board - 4191.10

Vice-Chair Kate Stevens presented the budget for the Planning Board. Ms. Stevens started with the salary for the Admin Assistant, and the salary will increase by \$624. She noted that there is no Health Insurance or Dental Insurance offered to the Admin Assistant. Ms. Stevens commented that NRPC Planner, Postage, Books and Periodicals, Mileage and Tolls, and Seminars would remain level-funded.

Ms. Stevens added that Public Notices and Ads would increase by \$750. She noted that the Planning Board, Select Board, and CIP Committee are discussing updating the Impact Fees methodology.

Mr. Taylor asked if there is a degree or certificate required for the Admin Assistant position? Ms. Stevens said that she would look into it and get back to Mr. Taylor. Ms. Harrison asked if it would be cheaper to hire a Town Planner than it would be to hire a contractor? Ms. Stevens stated that it is less expensive to hire a contractor. The Committee discussed the benefits of hiring a full-time Town Planner at some point.

The Board thanked Vice-Chair Stevens for presenting the Planning Board budget.

xiv. Tax Cap

Town Administrator Troy Brown commented that he put numbers into the spreadsheet based on the expected costs for the Warrant Articles. He added that there are still many moving parts, and the State Revenues are a big part, along with the Highway Block Grant and the Revenue Sharing.

Mr. Brown mentioned that he was informed that the Revenue Sharing Funds may increase substantially and carry over into 2022. Mr. Cutter commented that the Operating Budget is at \$7,442,795 and the Town is \$24,946 underneath the Tax Cap, representing the savings from the Health Insurance.

Mr. Brown noted that once the Committee reviews the Warrant Articles that ask for taxation, the Tax Cap will decrease.

Mr. Barka asked how the Committee would vote if certain members wanted to support one project and the rest of the committee wanted to support another project. Mr. Cutter stated that the Committee would need to agree on what the Committee would support.

Mr. Cutter mentioned that he had prepared his annual spreadsheet, but he was unsure whether to share it with the members of the Committee. His concern was that the document could cause some undue influence. Mr. Cutter shared the spreadsheet and showed that the total Operating Budget for 2022 is \$7,442,795 and is a 3.21% increase over what was voter-approved in March. He added that the Town has gone from a \$5.2 million budget to a \$7.4 million budget over the last five years.

Mr. Taylor asked Mr. Brown about his top two negative impacts from the Budget Committee trimming his budget down to a 1.93% increase? Mr. Brown stated that the most significant cut was the fuel. Mr. Brown added that if the Police and Fire Department had been fully staffed, he does not know where he would have found the money for the needed fuel. Furthermore, his second significant impact was how the Highway Department would have been impacted by the Police and Fire Department's inability to return funds and the increase in salt costs.

Mr. Taylor asked if Mr. Brown heard any concerns from the Police or Fire Department regarding the reduction in staffing? Mr. Brown stated that he had not heard any concerns based on the staffing. Mr. Taylor asked if a certain

amount of money needed to be in an account to keep the Town's credit worthiness? Mr. Brown stated that the Town's too small to be bond rated. He added that the Town has its policy, which mirrors the DRA policy, that they want the Town to have an Unassigned Fund balance between 5% and 17% of the General Fund Operating Budget. The Town is at 9%.

8. School Business:

a. General Updates

No report

b. RSA 32:22; Review of Expenditures

None

9. Old Business:

a. None

10. Member Input / New Business:

a. None

11. Town Budget Committee Meeting

Chairman Andrew Cutter said that the next two Budget Committee meetings would be:

a. October 21 - Thursday - Town Voting (Budgets that can be voted on)

b. October 28 - Thursday - Tentative Meeting if needed

School Budget Meeting Schedule

a. November 2 - Tuesday - Delivery of Draft School District Budget to Budget Committee

b. November 4 - Thursday - Joint Budget/School Session - School Presentations

c. November 8 - Monday - Joint Budget/School Session - School Presentations

12. Public Input #2 @ 8:42 pm

a. There was no one for Public Input

Public Input ended at 8:43 pm.

13. Adjournment:

Motion: (Ms. Douglas / Ms. Harrison) motioned to adjourn the public meeting at 8:43 pm.

Roll-Call:

- | | | | |
|----|--------------|---|-----|
| a. | Mr. Cutter | - | Yes |
| b. | Mr. Son | - | Yes |
| c. | Mr. Barka | - | Yes |
| d. | Ms. Douglas | - | Yes |
| e. | Mr. Hayes | - | Yes |
| f. | Ms. Stevens | - | Yes |
| g. | Mr. Taylor | - | Yes |
| h. | Ms. Harrison | - | Yes |
| i. | Mr. Leary | - | Yes |

Vote: (9-0-0) The motion carried.

Respectfully Submitted,
Matthew Sullivan
Budget Committee Recording Secretary

Approved by the Budget Committee:

Andrew Cutter, Chairman

John David Son, Vice Chairman

Derek Barka

Keri Douglas

William Hayes

Kate Stevens

Scott Taylor

Christina Harrison, School Board Representative

Robert Leary, Selectmen's Representative