

Litchfield Budget Committee
Budget Hearing
Town Budget

January 12, 2017

Budget Committee Members

- Cynthia Couture – Chair
- Keri Douglas – Vice Chair
- Andrew Cutter
- Chris Pascucci
- Dennis Miller
- Jen Bourque
- Bob Keating
- Kevin Bourque– Selectmen’s Representative
- Brian Bourque – School Board’s Representative

Budget Preparation

- Town Budget was received on September 29th.
- Reviewed line by line over 5 meetings during the month of October.
- The budget information was presented by the BOS representative, Town Business Administrator and department heads as needed.
- Final votes on budget and available warrant articles took place on December 15.

Decision Criteria

- Consider history of actual spending of 3 previous years
- Consider year to date actual spending of current budget
- Consider the rationale for why dollars are being requested by the local officials
- Consider what was a reasonable budget o present to the voters given fixed cost increases and revenue projections.
- This year the Budget Committee also had to consider the Tax Cap approved by the voters last year. This meant that the proposed budget could not be more than \$175,000 greater than last years approved budget after revenues.

Town Budget Review

- The Selectmen's proposed 2017 budget is **\$5,856,995** which is **\$497,278** over last years approved budget.
- After Budget Committee reductions of \$101,189, the Budget is **\$5,755,806**.
- The Budget Committee proposed budget is \$68,811 above the current Default Budget
- The Budget Committee's proposed budget is an \$0.43 decrease per \$1000 on tax rate due to changes in revenues and town valuation

OPERATING BUDGET

ARTICLE 5 - 2017 OPERATING BUDGET

To see if the Town will vote to raise and appropriate as an operating budget, not including appropriation by special warrant articles and other appropriations voted separately, the amounts set forth in the budget posted with the warrant or as amended by the vote of the first session, for the purposes set forth therein, totaling \$5,755,806. Should this article be defeated, the default budget shall be \$5,686,995 which is the same as last year with certain adjustments required by previous action of the Town of Litchfield or by Law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Recommended by the Board of Selectmen (4-0-0)

Recommended by the Budget Committee (6-3-0)

Estimated 2017 tax rate impact of proposed budget is a reduction of (\$0.43) of the current total tax rate. Default estimate is a reduction of (\$0.51)

Areas of Major Impact to the Budget

- Health Insurance \$88,097 increase
Rates through out budget increased 20.79%
- Police administration – \$187,000 increase
This is due to approval last year of the police contract and an increase in coverage due to an officer being deployed, increased training, community detail and increased crime.
- Personnel Administration - \$56,406 increase
State retirement increases for municipal employee, fire, police. Wage plan increase approved by voters
- Road Maintenance - \$22,044 increase
Increase in road salt purchase
- Fire - \$40,000 increase
Replace base dispatch radio used by Litchfield at Hudson fire dept.
- Solid Waste Administration - \$10,447 increase
Increase in demolition costs
- Parks and Recreation - \$5,500 increase
Increase in field maintenance

Areas of Major Impact to the Budget, Con't

- Planning Board - (\$14,409) decrease
Decrease in Admin assistant hours
- Welfare Administration (\$6,750) decrease
Lower historical usage
- General Governmental Buildings (6,573) decrease
Decrease in cost of gas, propane

ARTICLE 6- FULL TIME POLICE OFFICER

To see if the town will vote to hire a full time police officer effective July 1, 2017 at an annual salary and related costs of \$86,047 and further vote to raise and appropriate the sum of \$39,055 for wages and benefits for the period of July 1, 2017 to December 31, 2017. Estimated 2017 tax rate impact: \$0.04.

FT Officer	2017	2018
Wages	\$24,440.00	\$51,927.70
Health (2 person)	\$ 6,869.00	\$16,487.04
Dental (2 person)	\$ 340.60 \$	817.44
NHRS	\$ 7,192.69	\$15,282.17
Workers Comp	\$366.68	\$778.91
Medicare	\$ 354.38	\$752.94
Total	\$39,054.47	\$86,046.20

Recommended by the Board of Selectmen (5-0-0)

Recommended by the Budget Committee (9-0-0)

ARTICLE 7 - ROAD IMPROVEMENT PROJECTS

To see if the Town will vote to raise and appropriate the sum of \$200,000 for the purpose of road improvement projects. It is anticipated that these funds will be used toward the cost of repairs to Roberts Way, Underwood Drive, Hildreth Drive, Whittemore Drive, Nathan Drive, Gibson Drive, McQuesten Circle, Parker Circle and other roads as necessary.

Estimated 2017 tax rate impact: \$0.23.

Recommended by the Board of Selectmen (3-2-0)

Recommended by the Budget Committee (5-4-0)

ARTICLE 8 - SECOND YEAR OF LIBRARY NON UNION WAGE PLAN IMPLEMENTATION

To see if the Town will vote to raise and appropriate the sum of \$10,186.00 to fund salary adjustments to bring Library employee salaries in line with the non-union employee wage plan, as approved by the Library Board of Trustees in 2015. This article represents the second year of a three year implementation plan.

Estimated 2017 tax rate impact: \$0.01.

Recommended by the Board of Selectmen (4-0-0)

Recommended by the Budget Committee (9-0-0)

ARTICLE 9 - LIBRARY EARNED TIME ACCRUAL EXPENDABLE TRUST FUND

To see if the Town will vote to raise and appropriate the sum of \$5,000.00 to be placed in the Library Earned Time Accrual Expendable Trust Fund as previously established.

Estimated 2017 tax rate impact: \$0.01.

Recommended by the Board of Selectmen (4-0-0)

Recommended by the Budget Committee (8-1-0)

ARTICLE 10 - TOWN EARNED TIME ACCRUAL EXPENDABLE TRUST FUND

To see if the Town will vote to raise and appropriate the sum of \$60,000 to be placed in the Earned Time Accrual Expendable Trust Fund as previously established. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2017 tax rate impact: \$0.00.

Recommended by the Board of Selectmen (5-0-0)

Recommended by the Budget Committee (9-0-0)

ARTICLE 11 - HUMAN SERVICES AND HEALTH AGENCIES

To see if the Town will vote to raise and appropriate the sum of \$2,400.00 to support the requests of Human Services and Health Agencies including but not limited to:

St Joseph's Community Services (Meals on Wheels) - \$1,600

Big Brothers/Big Sisters - \$500

Bridges (domestic violence) - \$300

Home Health & Hospice Care - \$0.00

Greater Nashua Mental Health Center - \$0.00

Lamprey Health Care - \$0.00

Court Appointed Special Advocates - \$0.00

American Red Cross - \$0.00

Estimated 2017 tax rate impact: \$0.01.

Recommended by the Board of Selectmen (3-2-0)

Not Recommended by the Budget Committee (4-5-0)

ARTICLE 12 - FIRE VEHICLE AND EQUIPMENT REPAIR EXPENDABLE TRUST FUND

To see if the Town will vote to establish a Fire Vehicle and Equipment Repair Expendable Trust Fund pursuant to RSA 31:19-a for unanticipated repairs greater than \$5,000 for fire vehicles and equipment and to raise and appropriate the sum of \$50,000.00 to be placed in said fund. Further, to name the Board of Selectmen as agents to expend from said fund. The primary purpose of this article is to create an expendable trust fund for Fire Department vehicle and equipment repair. Defeat of this article would not bar expenditures for repairs to the Fire Department equipment and vehicles.

Estimated 2017 tax rate impact: \$0.06.

Recommended by the Board of Selectmen (5-0-0)

Pending review and approval by the Budget Committee

ARTICLE 13 - ARCHITECTURAL AND ENGINEERING FEES FOR NEW FIRE STATION

To see if the Town will vote to raise and appropriate the sum of \$66,000.00 for the purpose of funding architectural and engineering services to revise and update existing building and site plans for the future construction of a new fire station at Liberty Way. This sum to come from the unassigned fund balance and no amount to be raised from taxation. It is anticipated that an additional \$34,000.00 shall be spent from the Fire Station and Municipal Office Impact Fee Accounts for this purpose.

Estimated 2017 tax rate impact: \$0.00.

Recommended by the Board of Selectmen (4-0-0)

Pending review and approval by the Budget Committee

ARTICLE 14 - NON-LAPSING APPROPRIATION

To see if the Town will vote to revoke the non-lapsing provisions of Article 8 from the 2016 town meeting, which raised and appropriated \$37,600 for expenses associated with training one full time firefighter as a paramedic, as the funds are no longer needed for this purpose. This will allow the funds to lapse into the general fund, where they will be available for use for tax relief by the selectmen in 2017.

Estimated 2017 tax rate impact: \$0.00.

Recommended by the Board of Selectmen (5-0-0)

Pending review and approval by the Budget Committee

ARTICLE 15 - TAX CAP

Shall we adopt the provisions of RSA 32:5-b, and implement a tax cap whereby the Budget Committee shall not submit a recommended budget that increases the amount to be raised by local taxes, based on the prior fiscal year's actual amount of local taxes raised, by more than \$175,000. (3/5 vote required.)

Recommended by the Board of Selectmen (4-1-0)

ARTICLE 16 - ALL VETERANS' TAX CREDIT

To see if the Town will vote to adopt the provisions of RSA 72:28-b, All Veterans' Tax Credit? If adopted, the credit will be available to any resident, or the spouse or surviving spouse of any resident, who (1) served not less than 90 days on active service in the armed forces of the United States and was honorably discharged or an officer honorably separated from services and is not eligible for or receiving a credit under RSA 72:28 or RSA 72:35. If adopted, the credit granted will be \$300.00, the same amount as the standard or optional veterans' tax credit voted by the Town under RSA 72:28.

Recommended by the Board of Selectmen (5-0-0)

Tax Cap Calculation a/o 12/28/16

TAX CAP CALCULATION BASE				TAX CAP CALCULATION					
Tax Year	Prior Year Tax	Add Back Fund Balance	Tax Cap \$175k	Gross Appropriations	Less Revenues	Add Veteran' s Credit	Add Overlay	Current Year Tax	Over/Under Tax Cap
2016	\$3,393,739	\$0	\$3,568,739	\$5,804,432	\$2,499,941	\$114,752	\$150,964	\$3,570,207	\$1,468
2017	\$3,570,207	\$0	\$3,745,207	\$6,070,047	\$2,489,593	\$114,752	\$50,000	\$3,745,206	-\$1
2017	\$3,570,207	\$0	\$3,745,207	\$6,119,636	\$2,555,593	\$114,752	\$50,000	\$3,728,795	-\$16,412

Tax Impact of Recommended Articles

ARTICLE DESCRIPTION	AMOUNT	TAX IMPACT
Article 5 - Operating Budget Increase	\$68,811	(\$0.43)
Article 6 - Full Time Officer	\$39,055	\$0.04
Article 7 - Road Improvements	\$200,000	\$0.23
Article 8 - Library Wage Plan	\$10,186	\$0.01
Article 9 - Library Earned Time Trust Fund	\$5,000	\$0.01
Article 10 - Town Earned Time Trust Fund	\$0	\$0.00
Article 11 - Health Agencies	\$2,400	\$0.00
Article 12 - Fire Vehicle & Equipment Fund	\$50,000	\$0.06
Article 13 - Fire Station A&E Fees	\$0	\$0.00
Article 14 – Non-Lapsing Appropriation	\$37,600	\$0.00
Total recommended tax impact		(\$0.08)

Total Estimated Tax Impact

Current Tax rate	\$4.04
Proposed increase	\$(0.08)
New Rate	\$3.96

(\$28) estimated decrease to a house valued at \$350,000

Questions or Comments?

	Selectmen Proposed	Budget Comm Proposed	Default
Gross	\$ 5,856,995.00	\$ 5,755,806.00	\$ 5,686,995.00
Revenue	\$ 2,391,993.00	\$ 2,391,993.00	\$ 2,391,993.00
Net	\$ 3,465,002.00	\$ 3,363,813.00	\$ 3,295,002.00
overlay	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
credits	\$ 114,752.00	\$ 114,752.00	\$ 114,752.00
New net	\$ 3,300,250.00	\$ 3,199,061.00	\$ 3,130,250.00
Valuation	885,950,684	885,950,684	885,950,684
Difference		\$ (101,189.00)	\$ (68,811.00)
Tax Impact			
Current Tax Rate	\$ 4.04	\$ 4.04	\$ 4.04
New oper/budget	\$ 3.73	\$ 3.61	\$ 3.53
Change in rate	\$ (0.31)	\$ (0.43)	\$ (0.51)
Warrant 6	\$ 0.04	\$ 0.04	
Warrant 7	\$ 0.23	\$ 0.23	
Warrant 8	\$ 0.01	\$ 0.01	
Warrant 9	\$ 0.01	\$ 0.01	
warrant 10	\$ -	\$ -	
warrant 11	\$ 0.00	\$ -	
warrant 12	\$ 0.06	\$ 0.06	
Warrant 13	\$ -	\$ -	
Warrant 14	\$ -		
Warrant 15	\$ -		
Warrant 16	\$ -		
New Rate - All	\$ 0.03	\$ (0.08)	