

Town of Litchfield

Selectmen's Meeting

July 25, 2011

Members present: Steve Perry, Chairman
John R. Brunelle, Vice Chairman
Frank A. Byron
George A. Lambert

Also present: Jason Hoch, Town Administrator

Members absent: Brent T. Lemire (excused absence)

5:00 p.m. Review of Paperwork and Communications

7:00 Call to Order

PLEDGE OF ALLEGIANCE

All rose for the Pledge of Allegiance.

Review of Items for Consent

1. Minutes of July 11, 2011
2. Wage change – length of service
3. Application to DRA for reimbursement for forest lands

Selectman F. Byron wants to remove Item #2 Wage change for Captain Nicoll and James Rea and discuss those as Other Business

Approval of consent items

Selectman F. Byron motioned to the Board of Selectman to approve items #1 and #3. Selectman J. Brunelle seconded the motion. The motion carried 4-0-0.

Request for Items - Other Business

Wage Changes

Non-public session at the end of meeting 91:A 3(II) c

Storage containers

Recognition of Lieutenant Millette

Chief O'Brion recognized Lieutenant Millette for 30 years of service in the Town of Litchfield. Selectman S. Perry thanked Lieutenant Millette on behalf of the Board of Selectman for his service to the Town of Litchfield. Selectman F. Byron also thanked Lieutenant Millette on behalf of the Board and hopes he has a great retirement. Mr. Frank Jones, former part time Litchfield Police Officer and former

President of the Litchfield Police Association, wanted to recognize Lieutenant Millette's wife for supporting her husband through the years.

David Chesney – Office of Congressman Bass

Mr. Chesney thanked the Board for letting him hold office hours. He introduced himself to the Board and let them know he was here to help the Board and Town Administrator with any questions they may have. Selectman George Lambert asked Mr. Chesney if he had any information from our Congressman on the current debt ceiling problem that we are facing in Washington today. Mr. Chesney replied that he has not seen any resolutions and a number of options are being discussed, there is no new news and no current agreement to raise the debt ceiling and in the end he believes you are going to see a compromise, and a reduction in spending. The President stated that there are significant advancements made on coming to an agreement that brings future spending in line with revenues in order to compromise with pains and past spending. Selectman Lambert stated that he wanted to know what is going to happen with things like social security checks, is there anything that you can tell our citizens? Mr. Chesney stated that last week the President stated that he could not guarantee social security checks to seniors. Whether a deal is reached by August 3rd or not social security checks for August and the foreseeable future will go out. Selectman F. Byron asked if the 2.4 trillion cash on hand or is that IOU's. Mr. Chesney stated that it is cash on hand and the bonds held by the Treasury Department count against the federal debt. Once those bonds are repurchased, that money will come into the Treasury and offset the outstanding debt of the federal government.. Medicare will still operate the same. The transportation reauthorization bill will be coming up in the fall. The Board of Selectman thanked Mr. Chesney for coming to the meeting tonight.

Melanson, Heath review of 2010 Audit

Mr. Frank Biron, President of Melanson, Heath is present at the meeting. Mr. Biron stated that things are better now than they were a couple of years ago. There are two reports that Mr. Biron has with him one is the audit and financial statement and the other is a management letter which contains recommendations for improvement. With the financial statements the first page after the table of contents is the independent auditors report. In their opinion the financial standards are in accordance with generally acceptable accounting principals. Some of the key numbers which begin on page 9 are the statement of net assets. Page 9 consolidates all of the Town's funds into one column, which includes general funds, grants, projects, trust funds; everything gets collapsed into this one column. The only thing he wanted to point out on this page is the capital assets, this is the land, equipment furnishings, etc. they are under two categories; land and construction progress of 3.6 million dollars and other capital assets which are your depreciable assets of 2.5 million dollars. Those are all of the Town's assets which include this building, other buildings, equipment, etc. The other thing Mr. Biron wanted to point out is non current liabilities, the only ones that we have are capital leases of \$32,000 that's the long term portion of them and another \$44,000 which will be paid off during 2011. Compensated absences which is employee vacation time, time that is earned but has not been taken by the employee as of December 31st of \$58,000. From the Town's point of view we have no bonds payable which is a very strong financial situation. On page 11 the general fund is the first column, the other funds included on this page are the larger ones which include conservation funds, highway block grant and non-major. Mr. Biron stated that looking at the General fund, what is seen is pretty much positive trends throughout. The first number is cash and short term investments of \$5,553,030.00 which has increased about 1.2 mil from the year before. Not all of that cash is available to spend; you will see a large liability due to school

district for \$4,120,603.00. Because the school district works on a fiscal year and the town is on a calendar year, what this represents is pretty much the amount of taxes you have collected through December 31st that you will be paying over to the School district in the next six months which we are beyond those six months now in July, so that \$4.1 mil. would have been paid out by now. Out of the \$5.5 mil., \$ 4.1 mil is due to be paid to the School district over the next six months. The next line below that is property tax receivable, \$609,635.00 which is down \$66,000.00 from the year before. On the Liability section there is one larger liability called deferred revenues of \$445,291.00 which is pretty much of an offset to those prior receivable. It is not a perfect offset with the \$609,000 because there is an accounting rule which is called the 60 day rule which says that what ever you collect in property taxes within two months after year end in that sixty day period you can consider being revenue but, any other receivables are not considered revenue so that is why they sit in this account that is called deferred revenue. The Department of Revenue does not consider it to be revenue at this time; they consider what ever you bill out to be revenue. Mr. Biron went on to explain that that on the bottom of the page is the equity and the fund balances. There are two categories, the first one is reserved for encumbrances \$179,611 which is articles that are being carried forward that if not been fully spent in other encumbered funds that are part of the 2010 budget that are to be spent in 2011. The next line is the most important number in these financial statements which is undesignated fund balance in the general fund \$1,128,050.00 which is increased from about \$268,000 from the year before, so that is very positive. It is also what Mr. Biron considers to be a very strong fund balance. The next page is page 13 which is the statement of revenues expenditures and changes of fund balance which is otherwise known as the income statement. Mr. Biron wanted to point out one number on this page which is the excess of revenues and other sources over expenditures and other uses and the amount is \$376,240.00, for a business this would be your net income for the year so our revenues beat our expenses by \$376,000.00 which is very positive. Looking at the variance column deals with the revenues and looking at the subtotal \$59,146.00 your revenues beat your revenue budget by \$59, 146.00. The bottom part of the page is dealing with your appropriations and looking at the subtotal of \$109,434.00 this represents what the departments did not spend or encumber. Last of the number pages are agency funds \$1.5 - \$1.6 million dollars, this in impact fees, engineering escrow fees as well as school district capital reserve funds that are being held so these represent other people's money that the Town is holding on their behalf. Financially the Town is in good shape. Selectman Byron asked if there were any particular key items we should be working on for the following year. Mr. Biron said that there was but not many. The management letter includes five comments; the first which mentions reconciling the general ledger which was a problem a couple of years ago but now the town does have policies in place to reconcile all the key numbers in the general ledger particularly the cash and receivable balance, those are being reconciled on a monthly basis now. The second issue deals with departmental policies and procedures, in prior years we had recommended that the town establish policies and procedures for the departments for their handling of their incoming receipts and the Town has done that. Another thing mentioned was that the department when they turn over receipts should give a copy of that turnover form to the finance manager, so the finance manager can do some internal audit work which is being done now. The only unresolved issue is that we are recommending that someone in the finance department or another delegate perform internal audits of the departments on a periodic basis. It would help if the Town was doing this. The third comment in the prior year, we actually issued 16 individual recommendations affecting a lot of different departments; 14 of the 16 issued have been resolved. The only ones that didn't dealt with the trust funds; one of the issues was library trust had some stocks that they had a lot of outdated information on those stocks. The recommendation to the Town was to address this. The other

issue dealt with the trust funds also, in tracking the expendable and non-expendable portions of the trust funds on the annual MS9 report. That was the only other issue that did not get dealt with. There was another comment dealing with budgeting for the highway block grant which got reported properly in 2010 so this issue was resolved. The last comment that dealt with 3 or 5 other items affecting various departments, all but one got resolved which was the solid waste facility, the issue we had was the computer they were using could not print out receipt records. This issue should go away because they are getting a new computer. The Town has done a good job addressing these issues in 2010.

Interview with Planning Board nominees Thomas Young and Russell Blanchette

Selectman Perry asked Mr. Young to share information about him. Mr. Young got up and gave a little information about him. Selectman Byron asked Mr. Young why he wanted to be a member of the Planning Board and Mr. Young stated that He was interested in the Planning Board procedures and would like to follow it through and give back to the community. Selectman Byron stated that one of the things that we have suffered from in terms of our Planning Board has been the lack of attendance at various times and asked him if he was able to dedicate the time. Mr. Young stated yes, he has the time. Selectman Byron asked Mr. Young if he has any relationship with any of the developers or any thing like that that can create a conflict of interest for himself in terms of sitting in judgment of applications. Mr. Young stated no, he did not. Selectman Perry stated that he sees that Mr. Young has a lot of knowledge in the construction field and wanted to know if he had any knowledge in the planning field. Mr. Young stated that he has done a lot of site work for different projects and was involved with the planning of it. One of the projects was the Comcast facility in Londonderry, he put through a couple of years ago and he used to do a lot of work for Hannaford and Sports Authority one of the electrical contractors doing the site work. He is familiar at looking at plans. Selectman Lambert asked Mr. Young if he was in favor of increased regulation or have you read the regulations in town, do you think they are appropriate or overly zealous. Mr. Young stated that he hasn't really sat down and looked at them yet but he does not believe in going overboard with the regulations but you do need a good base. Selectman Lambert also asked if he has read other regulations before and have a good idea of how we should adapt our zoning plan in the years to come. Mr. Young stated that he is somewhat familiar with Salem's and has gone through some of the issues there and can bring some of that up here. Mr. Lambert also asked Mr. Young if he has looked at our impact fee schedule and if he can think of any good reason why we should charge almost \$1,000 to have a cash register in this Town? Mr. Young stated that it seems a little high. Do you think with the recessed economy that we should be increasing those fees just because we can? Mr. Young stated that personally he does not think so. Selectman Perry stated that he noticed that he checked off being a full member and if he would be open to being an alternate if that was the desire of the Board? Selectman Byron stated that the vote was for full membership on the Planning Board. Selectman Lambert made a motion to the Board of Selectmen that Thomas R. Young be appointed a member of the Planning Board until March 2012 as a full member. Selectman Byron seconded the motion. The motion carried 4-0-0.

Selectman Perry asked Mr. Russell Blanchette to tell a little about himself. He stated that he is the one who records the Selectmen's meetings. He has resided in Litchfield for 11 years and knows that there are needs for members and that he is available and interested. Selectman Perry stated that Mr. Blanchette is an assistant electrical engineer. Selectman Byron asked Mr. Blanchette if he would be able to attend all of the meetings of the Planning Board twice a month and will be able to participate fully in the meetings and discussions the board has. Mr. Blanchette stated: yes that to the best of his ability he intends to participate fully. Selectman Byron asked Mr. Blanchette if he had any conflicts that he thinks

that would get in the way of being able to serve on the Planning Board in terms of developers and businesses, or things like that may have applications in front of the board. Mr. Blanchette stated that he does not and if something did come up he would recuse himself from voting on any matters. Selectman Lambert asked Mr. Blanchette if he enjoyed reading regulation. Mr. Blanchette stated that he does. He stated that he has read technical manuals for fun and has been reading the master plan for the Town. Selectman Byron motion to the Board to appoint Mr. Russell Blanchette to a full membership of the Litchfield Planning Board whose terms shall expire on March of 2014. Selectman Brunelle seconded the motion. The motion carried 4-0-0.

Selectman Byron thanked Mr. Young and Mr. Blanchette for volunteering to serve on the Town committees.

Public Input

None

Fire Department

Selectman Perry asked Administrator Hoch if we got a number on the truck bill and Mr. Hoch stated yes the bill from Valley Fire was \$21, 971.15 and about another \$350.00 or so to test the pumps to get them back into service. During the regular pump services issues were found with the frame of the truck. Neither Administrator Hoch nor the Selectmen were ever notified about any emergency repairs that needed to be done. Selectman Perry stated that the real issue is that they received a bill for the repair with the frame included before we were ever notified of a cost, or that it was even in for this service. Selectman Perry asked Mr. Hoch if has received any check request from the Fire Department for any other bills, Mr. Hoch stated that he received a large stack this morning that definitely represented some catch up. There are some bills that are going to have finance charges because they were not sent in on time. Selectman Perry asked Mr. Hoch if he had anything else at this time on the financial side. Mr. Hoch stated that on the credit card front, for credit cards the Town issues, one of the things that goes with that is the requirement to provide an itemized receipt and a check requests for payment in a timely fashion. In two situations in early to mid May, no slips or check requests were provided. The finance office requested those but they were not provided in a timely manner sufficient for payment. Eventually a receipt was submitted but no check request was submitted. There was a fairly substantial purchase on June 5th and today Mr. Hoch got a check request for that but the slips still do not meet documentation standard that would be appropriate. Mr. Hoch is concerned about the ones from May where Terry said she needed this information to make sure the records were correct and that documentation was not provided. Mr. Hoch stated that he needs to follow up on this most recent one, Town policy notes that failure to keep adequate receipts could result in the cancellation of the card holder's credit card, multiple failures to submit appropriate documentation may result in the credit card being rescinded by the Board of Selectmen. Selectman Lambert made a motion to the Board of Selectmen to immediately suspend those credit cards. Motion fails for a lack of a second. Selectman Byron made a motion to the Board to invite the Chief Schofield to attend a Selectmen's meeting; a date and time to be set by the Chair to explain the situation with the credit cards. Selectman Brunelle seconded the motion. Selectman Perry made an amendment to the motion to explain the truck bill as well. Selectman Byron seconded the motion. The amendment carried 4-0-0. Selectman Lambert amended the motion to say that any other items of inquiry that come up between now and then shall be discussed at that time. Selectman Perry seconded the motion. Administrator Hoch made a suggested that the Board has requested projected training expenses, the July – December 31st one, and that was requested by mid July and that is an open

question. The second amendment carried 4-0-0. The amended main motion carried 4-0-0. Selectman Perry's recommendation would be next Monday at 6:15 pm.

Selectman Perry asked Mr. Hoch what his status is on the plans for financial and operational control that we asked for last week. Mr. Hoch stated that he drew some plans up and reviewed them with counsel.

Selectman Byron suggested discussion of salary increases that were removed from consent. Selectman Byron stated that there were two individuals in the Fire Department Captain Nicoll as well as Jim Rea, it appears that they have length of service increases that were supposed to have been done for Captain Nicoll on 4-10-2010, and Jim Rea one that was due 4-1-2010 a second one due on 3-20-2011 and another one that was due. None of which were done. Selectman Byron wanted to know where the notification or the tickler should be kept that indicates when we should be bumping an employee for length of service or other changes to their status. Administrator Hoch stated that in an ideal world it would be coming from the department head of the department. Mr. Hoch stated that Linda now has a spreadsheet that has each eligible date on it. The forms we use now are partially about approval but mainly about notification. He believes that it is important that the department head knows that their employee has moved in the wage schedule and really important for the employee to sign off and say they understand they know their rate is changing.

Linda Langille stated that the reason we are doing this is because the Town auditors require it and that is the proof she has to change that written pay change.

Selectman Perry asked if we have a calculation for the amount that is owed these employees.

Administrator Hoch stated: not completely yet and that they have worked one of them because the difficulty is in that some cases multiple rates, multiple tax rates and multiple retirement rates apply.

Selectman Byron made a motion to the Board of Selectman hereby approves effective 4-10-2010 the salary increase of Captain Doug Nicoll from grade 12 step 8 to grade 12 twenty+ years. Selectman Brunelle seconded the motion. Selectman Byron also motioned that the Board of Selectmen hereby approves the salary increases as specified for James Rea effective 3-20-2010 and from grade 9 step 4 to grade 9 step 5 and from 4-1-2010 to \$20.06 to \$20.36 to reflect the grid change and effective 3-20-21001 from grade 9 step 5 to grade 9 step 6. Selectman J. Brunelle seconded the motion. The motion carried 4-0-0.

Administrator Report

Old Business

Forest Fire Warden

E-mail comments attached from all of the deputies and both deputy chiefs, those were due back by the 22nd. There is a question that Mr. Hoch had about appointing a warden versus simply maintaining a group of Deputies and asked the State for clarification and he has not heard back. Mr. Hoch recommended that the Board consider tabling this to the next meeting.

Utility Assessment

Administrator Hoch attached an e-mail exchange with Gary Roberge from Avitar re: revising utility assessments. His estimate is a potential change in value of 4 to 10%. Further, he advises that this approach would include all utilities meaning Pennichuck as well. A 5% decrease in utility property valuation would be about \$1.7 million which on last year's tax rate would have meant an additional \$0.04 on the rate. Administrator Hoch recommended tabling this until September 12th.

Town of Litchfield vs Seymour

Following up on questions from last meeting – any proceeds from sale of guns goes first to pay off what Primex/AIU has paid (\$210,896.26) so far, also noting that they continue to pay attorney fees.

New Business

IRS Mileage Rate

The IRS has increased mileage reimbursement for period between July 1 and December 31 to 55.5 cents per mile (from 51 cents for the first half of the year). Administrator Hoch recommended continuing to follow the IRS guidelines for Town mileage reimbursement. Selectman Perry motioned to the Board to increase the mileage reimbursement starting July 1, 2011 from .51 cents to 55.5 cents per mile. Selectman J. Brunelle seconded the motion. The motion carried 4-0-0.

Personnel Manual

Administrator Hoch has forwarded a first draft of a revised personnel policy for review. It is built off of the LGC's recommended policy (as prepared by Devine, Millimet & Branch). Mr. Hoch edited some sections to incorporate specifics of current Town policy as well as language from existing policy. Additionally, there are some sections where Mr. Hoch has incorporated content from policies that he has written in the past. Some areas incorporate language consistent with the recently approved union contract. Portions of the proposed new policy, especially Family and Medical Leave, Military Leave, equal opportunity, etc. are consistent with current legal requirements. Mr. Hoch has noted those areas where he is proposing a change to benefits and operations. Mr. Hoch's suggestion is that members of the Board begin reviewing the document and forward questions and recommendations to him, so that he may respond accordingly. At a future meeting we can clarify those items and then specifically review the major changes in policy.

Conference and Meeting Expense Reimbursement Policy

Last week Mr. Hoch forwarded for comment a proposed conference and meeting expense reimbursement policy. This is not in response to any particular concern or issue, but rather a gap Mr. Hoch saw and was reminded of as he edited the personnel policy. This is a policy that Mr. Hoch has used in the past, slightly edited. It provides some clearer guidance for both the Town and employees on how travel expense reimbursements are handled and provides the opportunity to use the GSA per diem approach to meal expenses rather than specifically itemized receipts. Chairman Perry said that he had a question, but did not have it with him and suggested that the policy be tabled until the next meeting.

Appointment to Mosquito Control District

John Poulos as Chair of the Mosquito Control District has passed along that Al Raccio's term on the district expires at the end of the month and he would like to be re-appointed. Administrator Hoch suggested that any appointment the Board chooses to make be through March 2014 which would get the three positions in sync and on the standard term expiration schedule. Selectman Perry motioned to the Board to re-appoint Al Raccio to the Mosquito Control District with an expiring date of March 2014. Selectman F. Byron seconded the motion. The motion carried 4-0-0. Selectman Lambert wanted to thank Mr. Raccio for his years of service.

Other Items

The bank lockbox that had been used by the Trustees has been opened. A handful of old records for the Trustees were found which Administrator Hoch is hopeful may clarify some of the questions about some account purposes. There are also some historical documents that Mr. Hoch will review with Steven Calawa for the Historical Society. Around 25 rolls of microfilmed Town records were also in the box; these have been given to the Town Clerk.

Hillsborough Department of Corrections was in Town this past week cleaning up roadsides. Jack estimates 500 bags of litter were collected this week.

Chief O'Brion has passed along a note stating that he plans to run an internal promotional process in the Police Department to fill the vacancy from Lieutenant Millette's retirement. We will also post for a patrol officer opening. Assuming that the promotion occurs from within the department that will likely trigger additional movement within the department until the vacancy trickles down to a patrol position. Since the patrol officer selection and hiring process is time consuming, both the Chief and Mr. Hoch want to get a jump on that likely part of this as well.

Selectmen Committee and Community Reports

Selectman Byron stated that the Planning Board met last week and there were two potential candidates that the members of the Board of Selectman interviewed tonight who expressed an interest in becoming members of the Planning Board so that should take of some of the pressure in terms of making a quorum at meetings.

Selectman Perry stated that there is a Recreation Committee meeting tomorrow night and Mr. Hoch and himself met with the Rec. Committee last Thursday night to go over some of the things on their plan as far as items they thought might help them be more prepared for the meetings before the Board. They are anticipating the approvals from the State. Rec. Committee meets here tomorrow night at 7:30.

Items moved from consent

Already discussed under Fire Department.

Other Business

Storage Containers

Selectman Perry contacted a company in Connecticut. In Connecticut, there is a road worth storage container a 45ft tractor trailer box, still has wheels, road worthy, tires, brakes and is ready to be towed. They are asking \$1,500.00, they will accept less but it needs to get towed from their lot, they will not deliver. There is a company in NH that does sell them. Their cheapest used 42 or 43 ft. was in the \$2,300 to \$2,500 price range. It was not road worthy and is what they claim is recycle value because they are aluminum trailers. Selectman Lambert motioned to the Board of Selectmen to approve the expenditure of purchase and transportation for up to \$2,400 and we find someone to get it. Selectman S. Perry seconded the motion. The motion and second was withdrawn.

Selectman S. Perry motions to adjourn the public meeting to go into Non-Public Session per RSA 91-A: 3 II(c) – Matters that would adversely effect reputation of an employee. Selectman B. Lemire seconded the motion.

Roll Call Vote:

Selectman Byron – yes

Selectman Lambert – yes

Selectman Brunelle – yes

Selectman Perry – yes

Motion carried 4-0-0.

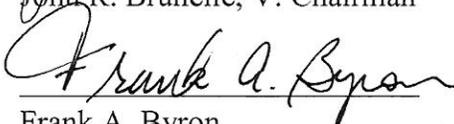
The public portion of the meeting adjourned at 9:25 pm.



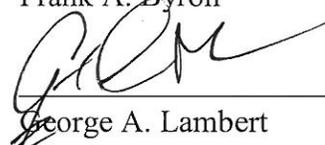
Steven D. Perry, Chairman



John R. Brunelle, V. Chairman



Frank A. Byron



George A. Lambert

Brent T. Lemire

