

Town of Litchfield

Selectmen's Meeting

November 28, 2011

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

Also present: Jason Hoch, Town Administrator

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

6:45 p.m. Non Public session per RSA 91-A:3 II(a) – Compensation of Public Employees

7:13 p.m. Call to Order

PLEDGE OF ALLEGIANCE

All rose for the Pledge of Allegiance.

Review of items for consent

1. Minutes of November 14, 2011
2. Intent to Cut, 59 Page Road
3. Veterans Exemptions

Approval of Consent Items

Selectman G. Lambert motioned to approve the items for consent. Selectman J. Brunelle seconded the motion. The motion carried 5-0-0.

Request for items – Other Business

New Job Descriptions for Office Personnel

Impact Fee Recommendation from Planning Board

The Planning Board has conducted their annual review of impact fees. They've adjusted based on cost escalators. Police and Fire are unchanged because they just revised the methodology on those last year. Recommendation also includes modifying the New Elementary School Fee to \$0 based on refunds and declining enrollments. Selectman Byron wanted to clarify to the members of the Board that this does not get rid of the fee they have just adjusted the collection amount to \$0. If next year or at some point in between, there is a feeling that there needs to be an increase or change in that, they can change the amount collected for the fee set to whatever makes sense going forward. They did not eliminate the Elementary School impact fee they just set the

fee to \$0. Selectman Perry questioned why the School always goes back and looks at enrollment numbers, which are typically in the past when the potential growth would show that we should be collecting these fee hands down. Selectman Byron stated this particular impact fee is put in place to consider a new school being built. Right now, the school is losing school aged children population so there is less of a chance for that happening. At this particular moment there does not appear to be any need for an elementary school impact fee due to the declining class sizes and student population coming into Litchfield. Administrator Hoch stated that the Planning Board's note mentions that the enrollment at GMS has declined by about 150 students since 2000. We are refunding fees paid now in 2005. There is an available balance of about \$425,000 in the elementary account right now, so if you decide later to adjust the amount for the portables, you are still at \$360,000 and we will still be refunding money next year. Selectman Byron stated that the only thing he disagrees with is that Mr. Hoch is saying that the fees that would be refunded would continue next year, we would be using the oldest fees first? Mr. Hoch stated that yes we would be using the oldest fees first. Selectman Byron stated that it is his understanding that if we expend more money that some of that reserve should be taken up and not be available. Selectman Perry stated that Mr. Hoch is saying that starting next year at some point in time; we will be back to giving money back. Mr. Hoch stated that with what we have right now slated to go back; we have about \$50,000 slated to go back in the remainder of this year and for January to June 30 next year, there is another \$40,000. Selectman F. Byron made a motion that the Board of Selectmen hereby adopts the recommendations of the Litchfield Planning Board as far as impact fees for 2011. Selectman B. Lemire seconded the motion. Selectman G. Lambert wanted more time to review these impact fee recommendations and the percentage change from the current fees.. Selectman F. Byron moved to table the motion until the Board of Selectmen's next meeting on December 12, 2011. Selectman G. Lambert seconded the motion. The motion carried 3-2-0.

Public Input

None

Administrator Report

Old Business

Elementary School Impact Fee Usage

Administrator Hoch provided a letter from the School district requesting an amendment to the Board of Selectmen's approval in December 2010 of \$65,890 of impact fees for the purchase of the Kindergarten portable classroom. The request asks that the total be increased to \$118,000 to cover the purchase of the 28'x76' doublewide two classroom building. It appears that there was some confusion about doublewide relating to the construction term rather than two classroom building. Selectman G. Lambert motioned to approve the \$118,000 in impact fees to cover the purchase of the doublewide two classroom building. Selectman B. Lemire seconded the motion. The motion carried 5-0-0.

Budget Revisions and Updates

Mr. Hoch has provided a revised set of Budget sheets as well as a document that lists changes to individual lines. Note that the budget sheets also have items flagged where the Budget Committee has made a change. The Board of Selectmen will need to review those and determine whether they wish to agree with those changes or not. While parts of this can be a slightly academic exercise, since it is the Budget Committee's bottom line

that goes to the voters, we do need to report to DRA the Board of Selectmen's recommended budget. Mr. Hoch also noted that his list of line item changes reflects a recalculation of wages related costs to account for COLA effective after Town Meeting. The list of potential adjustments is also connected with a list of encumbrances to reallocate current year funds toward items that can be taken out of next year's proposed budget. Mr. Hoch mentioned at previous meetings that we are running reasonably well this year and have the ability to consider moving some items. Generally, Mr. Hoch tried to identify one time purchases rather than to use any remaining funds to offset ongoing costs since those costs will need to reappear in future year budgets. Mr. Hoch also pointed out that we are slated to bring back any adjustments we have to the Budget Committee in the end of December. Mr. Brunelle wanted to make sure that is clear that we want to use this money now so that we can save money going forward next year. Mr. Hoch stated that you always build a budget based on a reasonable expectation of what you expect the next year to be. We had some areas this year where departments had not needed to spend at the level that our reasonable budgets were put together at last fall. The Selectmen also carry a contingency each year to deal with the unexpected and when the unexpected does not happen or the department heads are able to shift within their budget, that drops back into the fund balance to help in future years. Mr. Hoch stated that so far he is looking at about \$100,000 of items to shift and he would like to target, if we have that savings to be able to put \$100,000 back to fund balance for future years and to offset taxes for future years. There are three things to look at; one is a list of encumbrances that he has recommended for applying year end funds, there is also a line by line department by department change list showing from and to for any adjustment and a tally of what those changes are and also he sent out a full new budget package that shows a new column that states a revised budget. Selectman G. Lambert stated that the change is \$96,378.50, and asked if this was reduced by the Budget Committee, Administrator Hoch stated that is the net change of what he has compiled so far as adjustments to the budget so far which reflects changes to insurance premiums, any calculation errors that have come up along the way, the wage adjustment, and items that he has recommended that can be handled out of current year funds and removed from the 2012 budget. Changes made by the Budget Committee that were more technical in nature rather than policy in nature are included. When items are reviewed department by department, there are other changes that the Budget Committee has made that remain for the Board's conversation on whether they wish to concur with those or not because they are not just a technical correction. If the BOS agrees with some of the other changes the Budget Committee has made that number would go up. This would be changes to the Selectmen's recommended budget for next year. Selectman S. Perry wanted to go through the encumbrances and stated that the \$105,000 is what we are asking for in total encumbrances, what is the projected end of year? Administrator Hoch stated that it was between \$200,000.00 and \$250,000.00 (unspent at this point). Mr. Hoch stated that he had a wide range on that as well because he wanted to make sure that there is an appropriate cushion to because the Halloween snow storm still has not been certified (\$70,000). If we have to eat that cost out of the operating budget, it erode that. At the moment, he has moved all of those costs into a separate account. Selectman Perry stated that Mr. Brunelle made a great pitch on how to protect all of our computers and assets and why wouldn't we use the end of the year money to buy that and would it not be better than doing all these things? What is more important? Mr. Brunelle stated that this is all one year expense and his project is a four year expense. We have to be careful because there is going to be a continuing recurring expense whether it is in the first four years or the next five. Selectman Lambert stated that the next five year expense, we as the Board did not properly plan for the last time around and we don't really know exactly what that is going to look like because the cost shift in the industry changes and we didn't come up with a plan. Between now and four years from

now if we were going to pay for it now, you could actually implement a plan and say this is what we are going to do and be ready for it. His concern is that he likes the idea of putting this out for a warrant and explaining to the voters that we need to do this and we can either pay for it and it is going to be really cost effective over the long term or if they don't understand and they may think that we are spending money unnecessarily, but if they say we are spending money unnecessarily so we vote no, we put off that project for a couple of years. Selectman Brunelle stated that he does think this is an important investment to make and waiting until March is concerning to him because he received phone calls from both vendors that he had bid out to and they told him that he would see increases in cost because of storage cost going up. Buying current technology instead of old unavailable outdated technology could push us into a municipal budget law violation versus replacing the old system. If this system fails, the Town is in big trouble. The real issue is that we have these single points of failure on both sides of the operation. Selectman Perry asked if there was anything on this list that is more important. If we say that the first \$100,000 that we were going to use of the end of year funds was going to buy the computer system, we could then as the year gets closer to being done, have a better knowledge of what other money is going to be left that we could pick some of these items off. Selectman Byron stated that conversely, you could wait until the end of the year and decide whether it makes sense to purchase the computer system and pick these items of the 2012 budget. Selectman Perry asked if it is something that should be considered by the Board and if it is, it should be added to the list. Selectman Brunelle stated that by buying it this year we are reducing the budget by \$25,000. We won't have any excess funds to offset tax base from this year because we are going to spend it all to deal with these projects. Administrator Hoch stated that the dilemma is that if you buy the whole thing now, what he has identified as the coming out of the 2012 budget doesn't come out of the budget so part of it is figuring out what is your priority, as the numbers shake out what do you want your priority to be; deal with that issue and wrestle with whatever the increase will be or shift it. You may wish instead to think about instead of doing the all or nothing approach, do you look and say we have identified risks in the system right now and feel that it is important to move on that faster and engage in four years at \$25,000, three years at \$33,000, initiate that process without doing the whole thing this year. Selectman Brunelle stated that then we are obligating next year and that goes completely against what the Budget Committee wants. The TA's concern is when one of those components of the system goes down (the data is backed up) but rebuilding the system to plug that data back in we are looking at a week or two to get the stuff back in. Mr. Hoch worries about a situation where we have a police system offline where we are not able to process cases, etc. On the town's side, an ill timed system failure during the tax collection window could be tricky. Mr. Hoch worries about not being able to fulfill some of our core important functions. Mr. Hoch stated that if you ask him on this list, what else he has to do on this list, the carry over for assessing that we need to raise the money for in the future, we are contractly obligated to be able to do bullet proof vests for the police department. Selectman Byron stated that one proposal was to do something with the computer system now and then if the money was available at the end of the year then go in and attack any of the budget items we could use to decrease the taxes in 2012. His proposal would be the opposite which would be to decrease the taxes in 2012 using the money proposed by Jason today and if the money for the computer system is available at the end of the year then the Board can consider that. If it is not an approved budget, the Board would have to figure out how to redeploy dollars. Selectman Brunelle stated that this is a need not a want. Administrator Hoch stated that the Board should take a look and know that it may make sense to come back in two weeks to see where we are. The other decision the Board needs to make or validate is how much from the balance from 2011 do you want to see go to fund balance as savings for future years versus how much do you

want to appropriate for current needs and shifting things out to save on the 2012 tax rate.

Selectman F. Byron motioned to table this until the next Selectmen's meeting of December 12th. Selectman B. Lemire seconded the motion. Selectman G. Lambert mentioned that he would like to work with the Town Administrator working on some materials so that they may talk about events, savings and things that we did and did not do so that they can come back to that meeting and we can talk about how we can make sure that we inform the public that we are not just over budgeting but really well spending their money. The other Selectmen agreed that this is a good idea. Selectman S. Perry stated that December 12th is our next meeting but if we choose to hold this off longer to have a better scope of the money that is left. The next meeting should be on the 26th which is the day after Christmas. Administrator Hoch stated that it may make sense to meet on the 19th to try to wrap up most of this. Selectman S. Perry made an amendment to change the date until December 19th. Selectman B. Lemire seconded the motion. The amendment carried 5-0-0. The next meetings will be on the 12th and the 19th of December. There will be no meeting on the 26th of December.

Fund Closure

Administrator Hoch stated that when the Board looks at the reconciliations every month one of the sets has all of these stragglers funds that we keep. One of the things that Linda and he have been working on this past year is do understanding the purposes of all those funds and do they need to continue existing. One of them has an entry for civil defense for a balance of \$467.67; as near as they can tell this fund was the result of a 1967 town meeting action. They can't seem to find anything else and there are no other entries in our town meeting action database and if this is correct then the money should have lapsed to the general fund sometime in the past 43 years. Administrator Hoch recommends that we return this money back into the general fund. Selectman B. Lemire motioned to transfer this money (\$467.67) back into the general fund. Selectman S. Perry seconded the motion. The motion carried 5-0-0.

Other Items

Administrator Hoch is looking for the Board of Selectmen to approve the Holiday calendar for next year. Administrator Hoch suggests that for convenience, that the Town follows the State of NH holiday schedule. Selectman G. Lambert motioned to follow the State of NH Holiday schedule. Selectman B. Lemire seconded the motion. The motion carried 5-0-0.

Process for Sergeant Promotion in the Police Department is underway as outlined in contract. Written test occurred 11/21; review board and Chief interview occurring 11/29 – 11/30.

In reviewing building permits/COs for the past year, Kevin and Mr. Hoch estimate approximately \$5,700,000.00 added to the tax base. Selectman F. Byron asked Mr. Hoch to clarify for the public what he means by added to the tax base. Administrator Hoch clarified that it means new evaluation for new construction and new renovations, anything that adds to the overall total assessment to the Town. So, Steve Martin and Mr. Hoch will be using an estimated tax base of \$812,600,000 when calculating likely tax rates for 2012 budgets. There is an RFP for collaborative energy purchasing coordinated through NRPC in process – should know later in December if there is an eligible bidder that would save us money.

Selectman Committee and Community Reports

Selectman J. Brunelle mentioned that just as a follow up of some of the Budget Committee's activities; they have moved to two meetings a week. There were two questions that came out of the meeting, and the one Mr.

Brunelle thought was of interest was the one regarding the combined deliberative session. Mr. Spencer made a statement that the DRA ruled against us to be able to hold a combined deliberative session and Mr. Brunelle followed up with Mr. Hoch and what he knew about it and Mr. Hoch told him that this was not the case, the DRA did not rule against it. The real drive was that the School Counsel cannot make the whole day so they are asking for it to be sort of a time slot so that we can accommodate his schedule; it has nothing to do with the fact that we cannot have a combined School and Town deliberative session. The DRA has not ruled against us. The second thing is that he has a question for the Board, there has been a lot of stuff in the HLN about our Town Administrator and according to the paper the Board all believe that the Town Administrator is doing a bad job and the Board has made a mistake. As one member of the five, Mr. Brunelle stated that he is not aware of that. Mr. Brunelle stated to the public that he has also been under criticism and if anyone has a problem with him or what he is doing to please contact him individually and express their concerns or even leave an anonymous letter. Mr. Brunelle's concern is that there has been weeks of attack to our Town Administrator. Mr. Lemire commented to anyone who is watching that this is not true. Selectman Lambert motioned to take a vote of confidence in our Town Administrator Mr. Hoch. Selectman J. Brunelle seconded the motion. The motion carried 5-0-0.

Selectman S. Perry was at the Recreation Committee meeting last week on Tuesday and the field project has been top soiled and the sprinkler system was in and getting tested. The field project is moving forward.

Comment from Board Chair

Selectman Perry stated that he feels the same way that Mr. Brunelle does. Not that he takes the thumbs down to heart but he hates to see someone that is doing such a good job getting portrayed in a bad light to people who do not know one way or another. There is absolutely nothing that Mr. Perry could say that Mr. Hoch has ever done that he would disagree with. Mr. Perry thinks the Town is very lucky to have Mr. Hoch. Mr. Perry stated that if anyone would like to contact him as the Board Chair because you have legitimate concerns; you can get his e-mail off the town website or you can e-mail him direct at steveperry@yaho.com, he would be happy to hear it because he can't understand why someone has this feeling. The Board told Mr. Hoch that they appreciate everything that he does.

Items Moved from Consent

no items moved

Other Business

New Job Descriptions for Office Personnel

Linda – Finance and Human Resources Manager. S. Perry made a motion to enact the new job description and bring Linda up from a grade 13 step 7 at \$31.14 an hour to a grade 13 step 8 at \$32.38 an hour which would be effective December 5th. Selectman J. Brunelle seconded the motion. The motion carried 5-0-0.

Karen – Office Assistant. S. Perry made a motion to adopt the office assistant job description and bring Karen up from a grade 7 step 3 at \$15.88 an hour to a grade 7 step 4 at \$16.49 an hour. J. Brunelle seconded the motion. Selectman F. Byron would like it recognized that both Karen and Linda have taken on some extra efforts and responsibilities. Karen in particular has worked to the effect that she has eliminated the need for part time help in the Selectmen's office because of her work performance. In the past there were three people in their and now there is two. The motioned carried 5-0-0.

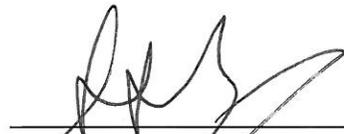
Selectman G. Lambert wanted to mention that a benefit that does not immediately translate out to people is that these people (Linda and Karen) by their direct action and not needing external resources have not only helped us get through the Seymour situation but implemented a lot of the recommendation of our auditors along the way and have saved us a bunch of money in outside accounting and consultant fees and things that we planned on to implement the processes that were recommended to ensure the tax payers money was safe.

Administrator Hoch wanted to mention that one of the places that we saved money this year was we went into this budget year with carrying \$6,750.00 for additional part time assistance. The productivity of everyone on the Town side of the hall has chipped away at what had to be done. Karen, Linda and Terry Brodeur; with the level of support and collaboration for the Town Clerk/Tax Collectors office. That entire group is allowing us to get to this productivity. The savings comes from a good group of people working together.

Selectman B. Lemire motioned to the Board of Selectmen to adjourn. Selectman G. Lambert seconded the motion. The motion carried 5-0-0.

The motion adjourned at 9:00pm.

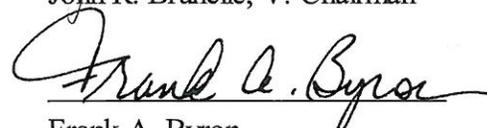
The second meeting of the month has changed to the 19th.



Steven D. Perry, Chairman

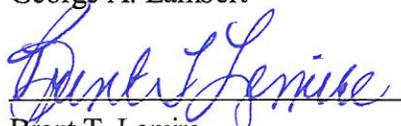


John R. Brunelle, V. Chairman



Frank A. Byron

George A. Lambert



Brent T. Lemire

