

TOWN OF LITCHFIELD BOARD OF SELECTMEN

July 22, 2013

Selectmen's Meeting

Members Present: John R. Brunelle, Chairman
Frank Byron, Vice Chairman
Kevin C. Bourque

Absent: Brent Lemire (excused)
M. Patricia Jewett (excused)

Also Present: Jason Hoch, Town Administrator

5:00 p.m. Paperwork review

6:00 p.m. Call to Order

Pledge of Allegiance

Review of Items for Consent:

1. Minutes of July 8, 2013
2. Approval of Accounts Payable (\$112,598.03) and Payroll (\$41,763.54) for week of July 15
3. Approval of Accounts Payable (\$98,212.53) and Payroll (\$43,712.03) for week of July 22
4. Prospective approval of Accounts Payable and Payroll for weeks of July 29 and August 5
5. Confirmation to DRA that PA-28 Taxpayer Inventory Forms will not be used
6. Notice of Intent to Cut - Map 5, Lot 195, Map 1, Lots 20 & 31
7. Application for reimbursement for State Forest Lands
8. Land Use Change Tax Warrants (4)

Approval of Consent Items

Selectman J. Brunelle reads aloud the items for consent

Selectman F. Byron **motioned** for the Board of Selectmen to approve the items for consent

Selectman K. Bourque **seconds** the motion. **Vote carries 3-0-0.**

Request for Items - Other Business

Selectman F. Byron would like to discuss budgets. Also he would like to review BCEGS which is the Code Compliance Program. As well as discuss the appointment of the Library Trustee.

Public Input: No members of the public were present

Administrator Report

New Business

Legislative Requests

Administrator Jason Hoch states that in early September, the House of Representatives will be allowed to submit Legislative Service Requests (LSR) asking for changes in state laws. He would like to know if the Board has any requests or concerns that they would like to discuss with Delegates.

Selectman F. Byron tells the Board that the deadline for submitting a LSR would be September 9 thru the 22nd. He mentions once closed you would have to go in front of the Rules Committee to get an approval. He tells the Board that if they are thinking of putting a request in that there needs to be time to research and gather information. Selectman F. Bryon states that if the Board would like to have a discussion with State Representatives or the Senator he would be glad to make the arrangements. He tells the Board that the School Board was going to bring this topic up for discussion at their next meeting.

Selectman J. Brunelle states that he will forward the information to Board members who are absent this evening, as well as the School Board. He mentions that a meeting with the Board, State Representatives and the public should be set up. Discussion will continue at a future meeting.

Old Business

Pennichuck Rate Case

Administrator J. Hoch states that the request for Counsel to file a petition to intervene on behalf of the Town of Litchfield with the PUC has been completed. He mentions that he has forwarded a procedural schedule and new information to the Board. Jason Hoch states that if the Town has an issue with the Temporary Rates (TR), discovery would need to be filed by August 21, 2013. If they have an issue with the Permanent Rates (PR), they have a discovery filing date of November 21, 2013. If there is nothing that rises to the discovery level, as an intervenor the Town would need to submit any comments and testimony by April 23, 2014. J. Hoch states that unless the Board has an issue with the Temporary Rates there is some time to see what additional information comes forward regarding this case.

Selectman J. Brunelle states that the temporary rate can increase to 7%, he asks if they should file paperwork to intervene with this rate. He feels this is a substantial increase for the Town.

Selectman F. Byron states that he feels the Board should look at the data Pennichuck submitted to the PUC to see why they are asking for a 7% increase.

Administrator J. Hoch states that he has looked at the information, which is substantial and found nothing that stands out or appears unusual regarding the temporary 7% increase. His concern is with the permanent rate increase, which is the one that is locked in for 5 years.

Selectman J. Brunelle mentions that he feels 7% is still a huge increase even as a temporary increase. States that he is new to this process, but feels the Board needs to argue and represent on behalf of the citizens of Litchfield.

J. Hoch states that the average increase for a customer will be \$75.00 a year.

Selectman F. Byron states that for him it would be like paying two additional months, which is significant. He also mentions that at the States request Pennichuck took over a water system in Pembroke, and is wondering if Litchfield is paying for Pembroke's mismanagement.

Administrator J. Hoch states that there are different rate schedules set up for different areas.

Selectman J. Brunelle asks Jason if Pennechucks documents are shared somewhere so he may take a look at them. Jason states that there are about 43 documents on the PUC website that are involved with this case, he has shared a link for the Board to look over and read. Jason states that some are more relevant than others such as section-12 filing of returns, section 13-rate increases.

Selectman F. Byron states that he would like to know if there is a bond that was issued by Pennichuck, he feels there was a bond that the City of Nashua thought that they could defer.

Jason states that some of the questions Frank is asking would be in section 12 and 13. He also states that you can look under the submitted testimony of John Patenaude and Donald Ware, in section 7 thru 11.

Selectman J. Brunelle mentions that the temporary rate stays in effect for 1 year before the permanent rate goes into effect. He feels that the Town should intervene with the Temporary rate which has a filing deadline of August 21st.

Selectman F. Byron states that Counsel would put together a list of questions to be answered and present them at a hearing.

Selectman J. Brunelle states that the Board and Jason should review the documentation discussed and gather any questions or concerns and report back at the next Board of Selectmen's meeting on August 12, 2013.

2 Year Budgeting

Administrator J. Hoch mentions he wanted to follow up with the Board regarding a group meeting that was held with the Town, School and Counsel regarding the biennial budget. Counsel discussed and could not think of any other legal changes which might be necessary for a biennial budget to be implemented by the Town of Litchfield. Jason also states that since Litchfield is SB2, if the Town gets a default budget, it would be a two year default budget. Likewise, no means no would be binding for two years unless the Town did a special warrant article the second year. Also they discussed that if the Town underspends with the first years budget where does the surplus go. Counsel does not believe it would roll into the second year budget if the Town adopted two separate budgets. They believe it would go into surplus and the Town would need to raise and appropriate out of it to spend it in the second year. J. Hoch also mentions that DRA was struggling with how to set tax rates for these budgets, and it looked like with two one year budgets there would be no problem - there would simply be two tax rates and the second year would incorporate any special warrant articles for that year. Also if a two year budget is adopted, DRA is going to have to figure out both tax rate issues and equalization ratio issues for both. Jason also mentions that the idea discussed at the Legislature regarding Collective Bargaining and the biennial budget was that the CBA's would be addressed in the budget off years, allowing Towns more time to focus on both issues.

Selectman J. Brunelle asks what would be the next step for the Board to take regarding

presenting this to the voters, would it be with a warrant article.

Selectman F. Byron states that he thinks the Board needs to discuss this matter and decide if they would like to move forward, or drop the issue at this time. If the Board wishes to go ahead it would be with a submission of a warrant article.

Administrator J. Hoch agrees and states that most legal questions have been answered, DRA needs to figure out their issues. But if the Board decides to move ahead the next step would be to present a warrant article to the voters.

Selectman J. Brunelle states that he feels there has to be clear advantages of this process presented to the public, other than just that it will save the Board time.

J. Hoch states that there is an organizational focus, but other than that the Board and Budget Committee spend an exorbitant amount of hours going thru this process, which takes your attention away from other issues. He mentions that the process ends with a budget around the 5 million dollar range year to year. Jason states the the voters will get some stability of knowing what the budget will be, as well as where their taxes will be. It will encourage consistency between each of the two years.

Selectman F. Byron states that other benefits to the voters would be that by adopting two years of budgeting the voters can amend each of the two years independently, thus splitting the growth over two years. Also that default budgets would last for two years, instead of the current one year, as well as no means no would also last for 2 years. He mentions that the Town and School would be on opposite years, so voters will be able to study each budget independently. Voters would know the tax rate for two years, unless separate warrant articles are approved. Budgeting could also be spaced out within the two years for costly items.

Selectman J. Brunelle states that there is time to continue this discussion at another meeting when all the Board members are present.

Other Items

Darrah Pond Testing

Administrator J. Hoch states that the water is tested at Darrah Pond 4 times per season. Two tests were done and have come in well below any levels that would be of concern. He states that one test came in at 6 ctl/100 ml and the second was at 8 ctl/100 ml. Jason mentions that the magic number is 88 cts/100 ml and over, if it had come back over the max level the Town would have to post the beach stating the e-coli is high and further testing would have to be done.

Selectman J. Brunelle mentions that when he was on the Conservation Commission he remembers discussion on maintenance and clearing out the vegetation in the pond. He has never seen this in the budget and is wondering if the Town is suppose to be doing it.

J. Hoch states that it has not been done, the pond has been evaluated and it will be part of this year's budget cycle. He mentions that there are different types of milfoil, and DES considers Litchfield's a natural type. This means that their funding and assistance for milfoil eradication is not available to the Town. As of now they are following up on the recommendation for chemical treatment.

Bullet Proof Vest 2004 Settlement

Administrator J. Hoch wanted to update the Board regarding the current litigation to the Towns class action suit involving faulty bullet proof vests. He states that this suit is from 2004, the vests were made of a substance (Zylon) that was found to be faulty and subsequent lawsuits were filed. Jason states the the Towns claim was filed in the amount of \$900.00. The Town received \$88.41 and it appears that Litchfield will receive a final payment of \$9.54.

Utility Tracking

J. Hoch states that from a lead in the NRPC newsletter, he participated in a webinar on July 10, 2013 regarding EPA's Portfolio Manager Program, it was a free service for tracking and benchmarking energy usage. He shared slides and part of the presentation with the Board. Jason states that he has signed up for the EPA's Energy Star Program. New online tools will be launched next week, he plans on transferring his spreadsheet data into that system to gain a better perspective on where the Town stands with energy usage. As he proceeds with this process he will share the results with the Board. Jason also mentions that this will be used for rebidding on a joint energy purchase later this year.

Selectman Reports

Invitation to representative of Merrimack Valley Regional Water District to discuss return of funds

Selectman F. Byron states that the Merrimack Valley Regional Water District was formed back in 2003-2004, it was a group of neighboring towns (including Litchfield) who were going to track the takeover of Pennichuck from the city of Nashua. He mentions that now with this project complete, at the time this group was formed it was discussed that the Towns would receive a refund of the money that they put into this fund. Selectman F. Bryon believes that the Town put in \$5,000 a year which should be around \$55,000.

Administrator J. Hoch states that he will check the information but feels the last year the Town added to this fund was in 2010 or 2011.

Selectman F. Byron states that the Representative for the Town was Mr. Peoples, his recommendation to the Board is to invite Mr. Peoples to the next Board of Selectmen's meeting to address this matter.

Selectman J. Brunelle asks for Jason to speak with Mr. Peoples and see if there is an update regarding this matter and if so invite him to the next BOS meeting in August.

Administrator J. Hoch states that if this money is refunded it would help the Town with the possible litigation fees regarding the Pennichuck rate case.

Selectman F. Byron states that he has made the Planning Board aware that August is the month they need to inform the Board of Selectmen what their actions will be regarding impact fees. He would like it added to one of the agendas for for the Board to discuss in August.

Items moved from consent - None

Other Business

Selectman F. Byron mentions now that the Town Administrator has sent out the budget worksheets to all Department Heads. he would like the Board to set some guidelines as to what the BOS will be expecting, and he would like to see a 5% decrease in budgets.

Administrator J. Hoch mentions that the Board has set up a workshop with all Department Heads to be held on August 26 to get an update as to where each Department stands on their budget and what will be their goals and priorities for the upcoming year. J. Hoch states that he feels all Departments are trying to keep things as flat and to the bottom line as possible. He mentions that in looking over the information he has available so far it looks like a 1% increase in most areas. Selectman F. Byron states that there are costs in the budget that cannot be deferred such as the Pennichuck rate increase, retirement costs, medical costs or dues. He states that there are discretionary and nondiscretionary costs that will need to be part of the discussion.

Selectman F. Byron states he was looking through the BCEGS or the Code Compliance Program information. It is an evaluation of the Building Codes for the Town of Litchfield, which was done in 2007. F. Byron states that he noticed the Towns scores were 69 for Commercial Property and 59 for Residential out of a potential score of 100. He would like to address areas where the Town received low scores and see if they can be improved upon.

Administrator J. Hoch states that this is a 6 year old report and things have been improved upon. He states that the new scores and reports are being compiled from this year's evaluation.

Selectman F. Byron states that he is asking when the new scores come out he would like to compare them to the 2007 scores and see where the Town can improve, and provide the resources for that to happen.

Selectman J. Brunelle would like to know how long it takes to generate the reports after the evaluation is complete, and if anything has been done since the last report to improve scores. He would also like to know if there are statistics on this information.

Selectman F. Byron states that the information is in the annual report of the Town.

Administrator J. Hoch states that there have been improvements and the Board will have to wait for the new reports to be provided and then comparisons can be made.

Selectman F. Byron states that J.Hoch mentioned that there is someone who would like to be an alternate for the Library Trustees, which he believes the Board of Selectmen appoints. He states the the Board had made a decision for appointed positions that a background check was to be completed on these individuals. Selectman F. Bryon is wondering if the policy needs to be updated regarding this matter, and if the Board appoints this person or do the Trustees of Trust Funds.

Administrator J. Hoch reads (RSA 202-A:10) that the Board of Selectmen appoint an individual to the Library Trustees. He states that the individual was unavailable for this evening to come in front of the Board. But he will make arrangements to have her attend one of the next meetings

and will move forward with a background check.

Selectman F. Byron states that each week the Board has material from the Town website that they review and read from on their computers at Board meetings. He would like to suggest that if possible could the agenda of the meeting be posted and made available for the public to read and follow along with while they are watching a televised meeting.

Administrator J. Hoch and the Board discuss ways of implementing this without releasing classified information that should not be made public. They feel it is a good idea and will experiment with making it available and user friendly for public access. They will report back at a future Board meeting.

Selectman J. Brunell makes a **motion** to adjourn.

Selectman K. Bourque **seconds** the motion. **Vote carries 3-0-0.**

The next Board of Selectmen's meeting will be on August 12, 2013 at 6:00pm at Town Hall

Approved August 12, 2013