

TOWN OF LITCHFIELD BOARD OF SELECTMEN

WORKSHOP WITH DEPARTMENT HEADS REGARDING 2014 BUDGET PRIORITIES

August 26, 2013

Selectmen's Meeting

Members Present: John R. Brunelle, Chairman
Frank Byron, Vice Chairman
Kevin C. Bourque
Brent Lemire - arrived late
M. Patricia Jewett - arrived late

Also Present: Jason Hoch, Town Administrator

5:00 p.m. Call to Order

Pledge of Allegiance

Selectman J. Brunelle states that with the start of the 2014 budget season upon us, this is a chance to review with Department Heads their concerns, challenges, or projects that a Department may have on their agenda which may affect their budget.

He also mentions that the level and quality of work each Department, Committee and Volunteer does for this Town, he feels is top notch and continues to amaze him as well as the Board and would like to thank everyone.

Fire Department

Chief Fraitzl

Chief Fraitzl states to the Board that his budget is a little over in some areas and under in others; it should come into line by the end of the year.

Selectman J. Brunelle asks if he has any concerns for next year.

Chief Fraitzl mentions that he will be looking for a possible replacement of the 1999 Explorer. He also states that he will be looking to start replacing the Department's 28 air packs. They were manufactured in 2001 and have a lifespan of approximately 15 years. This is a piece of equipment that cannot be bought one a time due to the manufacturers changing the design of the packs every few years. They should all be purchased ideally over a 2-3 year span. This will be a large undertaking from a research, decision and cost projection of approximately \$190,000 to \$200,000. Chief Fraitzl states that he does not anticipate this being a warrant article. He is working with other communities on a Assistance to Firefighters Grant, as well as purchasing the packs with these communities and receiving a larger saving buying in bulk.

He states that there was an analysis done on the Department's Apparatus which came back positive. Chief states the fleet of trucks are in very good shape for the years in service.

5:15 Selectman P. Jewett arrives to meeting.

Next item he sees on the horizon would be a long term facility to meet the space needs of the Department.

5:17 Selectman B. Lemire arrives to meeting

Town Clerk/Tax Collector

Theresa Briand

Theresa Briand mentions to the Board that she had an employee out for a period of time this year, and during this absence everyone in her Department completed cross training.

She states that registrations are up this year.

As of next year the State will be using the larger printers that were sent to the Town for use in printing Titles. She mentions the Town will have to get a check validator, which can also be used to validate tax bills instead of stamping. She is currently researching price information and options for this item.

Theresa states that the Town will start the registration of boats in January. They currently pay for bonding with Irwin Marina and will continue to do so. This will add convenience for people to also register boats at Town Hall. Additional training is needed with the software and that will be done here.

Theresa mentions that the hunting, fishing and OHRV licences have been renewed.

Selectman F. Byron asks if Irwin Marine can do trailer registrations. Terri states no because it is considered a motor vehicle and they can only do the boats.

Selectman J. Brunelle asks if there is a cost associated with this.

Theresa Briand states that there is a \$50 yearly fee, however for each boat the Town receives \$5.

Road Agent

Jack Pinciario

Jack Pinciario states that he is staying with the 5 year plan they implemented for road repairs.

They are working on prices for Mike Lane and repairs for a number of streets, feels they will complete their 5 year plan without issues. Some extra funding will be needed in order to complete some paving on some roads. He states that there are some roads that are in tough shape, but they are about 40% complete with their revised road plan.

Selectman J. Brunelle asks Jack if he will have estimates available to present at the September workshop. Mr. Pinciario states that he will have all estimates, maps and all data available at that time and that he has been working with the Town Administrator to review this.

Recycling Center

David Mellen

Dave Mellen tells the Board that they just completed the painting of the recycling room. They are working on a few small projects such as painting the compactors. He states that the equipment has been inspected and all maintenance has been completed and everything checks out fine. Mr. Mellen states that the numbers for his Department look pretty close to last years.

Selectman B. Lemire states there will be a Municipality from the area that will be contacting Dave and coming for a visit to see how Litchfield has implemented the changes to our recycling center since closing the incinerator.

Selectman J. Brunelle states that Litchfield's Recycling Facility has been named one of the best in the State of New Hampshire as far as management, cleanliness and quality of service to the Community.

Police Department

Chief O'Brion is on vacation but left information for J. Hoch to read to BOS

Administrator J. Hoch states that the Police Department is involved in contract negotiations at this time.

He mentions that two vehicles were deferred for replacement last year so those need to be addressed this year.

Also equipment facing the need for replacement are the Department's Tasers, they can no longer be repaired. The preference would be to have all equipment from the same year, but this expense may be split into 2 years. He is estimating this to be about \$14,000 to \$15,000.

J. Hoch states the Chief is looking at duty firearm replacements which are at their 10 year mark; with exchange deals, it appears the cost will be under \$6,000 for the Department. There is also a Special Operations Unit rifle that needs replacing and should be approximately \$2,000.

Jason states that the Chief mentions there are no staffing changes at this time.

Selectman K. Bourque asks what type of vehicles would the Department be looking for.

J. Hoch states that it would be the same type of vehicle purchased this year.

Building Department

Kevin Lynch is on vacation but left information for J. Hoch to read to BOS

Administrator J. Hoch states that the Building Department is looking to replace an aging and inefficient HVAC System at the Town Hall over the next 3 years at an estimated expense of \$45,000.

J. Hoch states that the leach field is 15 years old and the Department will be looking at going forward with a design approval of approximately \$1,000. This approval will be good over the next 4 years, and will make replacement easier when the system fails. This would use the Building Systems Capital Reserve Fund for critical systems failure, but having advanced planning in place will help with the process.

Jason also mentions that they may have noticed upon entering the Town Hall that the front walkway has been repaired. Second approved part of this plan was to repair some siding that was damaged on the columns and that will be done in the next few weeks.

J. Hoch states that Kevin Lynch has been working with the Recreation Committee and they have done some masonry repairs and painting at the Rec Hall. However, there is a floor replacement issue within a bathroom and a stage area that will need to be addressed.

Jason states that the roof and trim are also in need of replacement due to it reaching past its 20 year life span, and starting to have problems.

Selectman J. Brunelle asks if Kevin will have all necessary estimates and documents in regards to these issues, especially the HVAC estimates for the September meeting.

Administrator J. Hoch states that K. Lynch will have all necessary documents

Administrator J. Hoch mentions to the Board that the New Hampshire Retirement rates have increased effective July of this year. Which will need to be addressed for the first half of next year in the Budget. Also utility evaluations for 2015 will have a cost that will have to be looked at in the budget process for next year.

Selectmen J. Brunelle mentions that there will be a Budget Workshop to address and further discuss these issues, it will be held on Saturday - September 14, 2013 from 9-4. There will be scheduled time slots appointed for each Department.

TOWN OF LITCHFIELD BOARD OF SELECTMEN

August 26, 2013

Selectmen's Meeting

Members Present: John R. Brunelle, Chairman
Frank Byron, Vice Chairman
Kevin C. Bourque
M. Patricia Jewett
Brent Lemire

Also Present: Jason Hoch, Town Administrator

6:00 p.m. Call to Order

Review of Items for Consent:

1. Minutes of August 12
2. Approval of Accounts Payable (\$52,396.21) & Payroll (\$44,279.24) week of August 19
3. Approval of Accounts Payable (\$10,174.37) & Payroll (\$43,955.97) week of August 26
4. Approval of MS-5 - Financial Report of the Town
5. Approval of MS-4 - Revised Estimate Revenues
6. Approval of MS-1 - Summary Inventory of Valuation

Approval of Consent Items

Selectman F. Byron asks for the removal of Consent Items 5-6 as they are part of discussions to be had later in this meeting.

Selectman J. Brunelle states that the items are removed.

Selectman B. Lemire **motioned** for the Board of Selectmen to approve the remaining items for consent.

Selectman K. Bourque **seconds** the motion. **Voted carries 5-0-0.**

Request for Items - Other Business

Selectman F. Byron would like to discuss the unclaimed impact fee return process

Selectman J. Brunelle would like to discuss a newspaper inquiry that has been a topic of discussion, and would like to update the proper procedure.

Public Input

Chris Pascucci, 12 Colonial Drive, Litchfield. He would like to thank the Board of Selectman for the informative Workshop that was just held, and for having the meeting recorded and televised for the public. Mr. Pascucci asks the Board if the Workshop meeting on Saturday September 14th will also be televised. Selectman J. Brunelle states that it will be.

Jason Guerrette, 11 Perry Court Litchfield. He states that he heard a lot about “end of life/ usefulness” and feels it is just a different way of saying time for new stuff. He mentions that just because something is at its expected end of life does not mean it is no longer serviceable or needs to be replaced.

He would also like to be a part of the Facility Committee being formed.

Mr. Guerrette states that at his place of employment, the budget will be flat there.

Public Input - Closed

Administrator Report

New Business

Highlights of MS-4 and MS-1

Administrator J. Hoch states that MS-1 is the evaluation of the Town, these are the numbers that come from the contracted assessors. J. Hoch tells the Board the evaluation for 2012 was \$813,293,207 and in 2013 it was \$816,118,454 an increase of about 3 million dollars. Jason states this figure includes utilities, and the increase is due mostly to new construction and renovations. J. Hoch mentions to the Board that when this is approved it no longer is done with signed paper documents (those are retained for the towns records), it will be submitted electronically to DRA.

Selectman B. Lemire **motioned** for the Board to approve MS-1

Selectman P. Jewett **seconds** the motion. **Vote carries 5-0-0.**

Administrator J. Hoch states that MS-4 is the Towns Revised Statement of Revenues. In January when putting together the budget there is a preliminary estimate of revenue, then in September on the MS-4 documents he submits what is expected to be the Towns Revenue. This is the figure that is used for the tax rate setting. J. Hoch states the estimated revenue was \$2,098,546 and the figure to be filed with the MS-4 documents will be \$2,153,436 for 2013. Which is an increase of approximately \$55,000. Jason mentions the strongest gain has been in vehicle registrations, they were up almost \$90,000 over what was predicted. J. Hoch states that what has been collected on penalties and delinquent taxes is down by \$8,500 below anticipated. This number has been going down over the past 2 years as old delinquent taxes are being cleared off the books and people are paying their taxes timely.

He mentions that recycling revenue is down by about \$10,000 and not due to any lack of volume, it is that the market for paper fiber has been very weak this year.

Administrator J. Hoch states that the estimates also included some of the Ambulance Reimbursements, and with the Towns Warrant Article passing which moved this into a Revolving Fund, that money is removed from the totals.

J. Hoch states when all is finished there is an increase of \$55,000 which is less needed to be raised from property taxes.

Selectman B. Lemire makes a **motion** to approve MS-4

Selectman K. Bourque **seconds** the motion. **Vote carries 5-0-0.**

Selectman F. Byron asks Jason if he knows the status of the MS-24 filing

J. Hoch states that this is the School's filing and he does not know the status, but will ask.

Old Business

Ambulance Agreement with Hudson

Selectman J. Brunelle mentions this item was deferred to this meeting's agenda.

Administrator J. Hoch states that the existing agreement with Hudson has been on the books for 20+ years. The main change in this contract is the rate on unpaid balances that get transferred back to the town for services provided in Litchfield to the Medicare billing rate, which is lower than is currently billed, by about 30%.

J. Hoch states that the reason he had this postponed from the last meeting was Counsel wanted the town to check with its insurer (Property Liability Trust) regarding the indemnification language being acceptable. PLT provided some replacement language which was acceptable to Hudson.

Jason tells the Board that this does not have to be incorporated into the language of the contract. However, after a discussion with Selectman F. Byron regarding the Capital Replacement Item and explanation on how Hudson will calculate this, there are a few questions that need to be answered to have a more clear understanding.

Selectman J. Brunelle asks if the Board should delay approval until this is cleared up.

J. Hoch states that this is not changing the agreement in anyway but possibly adding a document to better understand situations that may arise. He states that two more weeks will not affect the situation.

Selectmen B. Lemire makes a **motion** to table this until further clarification can be made

Selectman K. Bourque **seconds** the motion. **Vote carries 5-0-0.**

Budget Review Schedule

Administrator J. Hoch states that the Workshop will be held on Saturday September 14, 2013 from 9-4. He will put together a schedule for Department Heads, so they will not have to attend all day.

Jason also mentions that he shared with the Board a schedule from the Budget Committee, which includes 4 dates to hold meetings starting the end of September thru October. Each meeting will review approximately a quarter of the Budget and should be a much more efficient process than prior years.

Selectman P. Jewett asks if Warrant Articles will be presented

Selectman J. Brunelle states that October 24th a meeting has been scheduled to discuss Warrant Articles.

Primex Workers Compensation Renewal

Administrator J. Hoch states that this was deferred last meeting due to a question being asked about comparison of prior years rates, to which he needed to find an answer. He mentions that in researching, he found out that rates were higher than he had thought for the last three years, at 8%, 9% and 29.7%. J. Hoch states this last increase was masked by the 2 years of surplus rebates that the Town had received. Jason states that by accepting the cap contract it locks the Town into three years at 8%.

Selectman B. Lemire makes a **motion** to enter into a resolution with Primex 3 Workers Compensation Contribution Insurance Program and accept the offer for New Hampshire Public Risk Management Exchange, otherwise known as Primex 3 as of the date of the adoption

of this resolution and to be contractually bound to all terms and conditions of Primex 3 Risk Management Pool Membership. During the term of the Workers Compensation Contribution Program the coverage provided by Primex each year of membership shall be as then set forth within the coverage documents of Primex.

Selectman K. Bourque **seconds** the motion. **Vote carries 5-0-0.**

Selectman B. Lemire makes a **motion** allowing Chairman J. Brunelle to sign all documents on the Board of Selectmen's behalf

Selectman K. Bourque **seconds** the motion. **Vote carries 5-0-0.**

Replacement Fuel Facility

Selectman J. Brunelle states that this was deferred pending advice from Counsel regarding the use of impact fees to deal with the costs involved. Selectman F. Bryon wanted specific questions asked again of Counsel, he felt they misunderstood originally, as well as a summary of the how impact fees can be used in general.

Selectman F. Byron states that he feels Counsels response indicates that impact fees cannot be used for purposes other than what they were collected for. He states that you can modify this slightly but it has to be a related subcategory.

Administrator J. Hoch states that some Towns do not handle impact fees the way that Litchfield does, they co-mingle funds into one account. Here we maintain separate accounts for all the purposes that they are collected for (Elementary, Library or Highway they all go into their own account). Jason also mentions that Counsel suggests that the Capital Improvement Plan (CIP) is a guide not a binding effect.

Selectman F. Byron states that the binding part is from the citizens of Litchfield who voted, not a document that the Board of Selectmen put together.

J. Hoch states that generally applying these impact fees for this purpose is acceptable according to Counsel. He states that the only problem is exactly how much and to what form does he apply them, because that is still not entirely clear to him. Some is considered adding capacity, which would be eligible for use of impact fees, while another is replacing something that is already in place and cannot use impact fees.

Selectman F. Byron states that he takes exception with what Jason has said. In the letter sent by Counsel the question was asked if fees were collected in 2010 for a CIP listed project of the "new elementary school" and a 2013 CIP update replaced "new elementary school" with "new elementary school playing field," are the 2010 collected fees eligible for the new CIP listed use. He goes on to read Counsel's response that the use of fees not tied to CIP as they understand the use of the Towns fees, they are segregated into different impact fee accounts and treated as distinct from one another. There is support for this approach in the Towns impact fee ordinance. But the Town should probably not, then, move monies from say the library account to pay for a road project. The example above would likely be OK as both uses of the money arguable fall into the same impact fee category. Selectman F. Byron goes on to read that Counsel makes one last point that the CIP can and should still be useful to how these monies are spent, but only as a guide, and not a binding limitation. Selectman F. Byron states his understanding is that the Town cannot take School impact fees and pay for a Town Fuel Facility.

Administrator J. Hoch states that the guidance that Counsel gave there was related to a specific area that was talked about earlier about having one impact fee account versus subdivided accounts. He states that if the Board looks at the very next bullet in the email which he reads, so if the highway department would use the gas station the most, then the larger chunk of money should come from that impact fee account. Counsel also states that the previous guidance on applying impact fee funds to the gas station based upon how fees are calculated is not the only reasonable methodology. The Town could, in the alternative, consider applying impact fees based upon some other equitable and reasonable method, such as by amount of anticipated future use by those most likely to use or benefit from the new facilities.

Selectman F. Byron states that the impact fees use are specified in the documents and the Board has no authority to change that. Secondly he understands that what Jason is reading only refers to a particular category, he states that Counsel mentions that the Town should probably not move monies for say the library, or the school accounts to pay for a road project. Those monies were collected for a specific purpose and cannot be moved around to suit others needs. Selectman J. Brunelle states that he understands that if the school is using the fuel facility for their own use as well, then a portion of their use should be funded with their monies.

Administrator J. Hoch states that the portion Selectman F. Byron read does not reflect the context of the conversation that he had with Counsel about this topic, it was in response to Counsel stating that, you know you can put all these into one impact fee account if the Town wished, as opposed to keeping them all separate. Selectman F. Byron and Administrator Hoch continue to discuss their interpretation from Counsel.

Selectman J. Brunelle states that the Board has already been advised that their approach is approved by Counsel, and have authorized \$20,000 to be used. The project is underway, it should continue and when the bills come in they will take a look at how the Board will make up any difference.

Selectman F. Byron makes a **motion** to release Counsel's email to the Planning Board, School, and Budget Committee for their interpretation of the use of impact fees from this document.

Selectman B. Lemire states that once discussed it becomes a public document anyway.

Selectman J. Brunelle **seconds** the motion. **Vote carries 5-0-0.**

The Board has a discussion as to whether a document from Counsel should be released to the public once discussed in a meeting, or should it not be released until the Board gives its approval to release the document.

Selectman J. Brunelle notifies Administrator Hoch that in the future do not release any Legal Counsel documents until authorized by the Board.

Water District/Pennichuck Dividend

Administrator J. Hoch tells the Board that a Representative from the Water District mentioned they will be meeting in October, so he hopes to be able to update the Board with information at that time. Jason states that the Representative also passed along an article that was published in the Nashua Telegraph, which stated that Pennichuck is turning a profit and Nashua is slated to receive a special dividend of up to \$500,000. Jason mentions the article goes on to discuss how the City would proceed to spend the money by possibly purchasing land or street paving. However, the Mayor states that the money should go towards paying down the cities obligations to the Merrimack Valley Regional Water District, the city has committed to that \$250,000 being

paid to other member communities. Jason states that Pennichuck is at the PSC telling them they need to raise rates because they cannot cover their costs, per the documents they filed, but they have a \$500,000 special dividend to return to Nashua. This now may lead to a path for Counsel to question the rate increase.

Selectman F. Byron makes a **motion** for the Board of Selectmen to send a letter to Mayor Donnalee Lozeau, reminding her of Nashua's commitment to providing a refund for legal monies that were submitted by Litchfield.

Selectman J. Brunelle **seconds** the motion

Selectman J. Brunelle asks how much money is owed

J. Hoch states that he estimates \$5,000 a year for 4-5 years totalling around \$20,000.

Selectman F. Byron states that he cannot remember if the obligation is with Nashua or the Water District. Jason states he will send copies to the Water District as well as Raymond Peeples. **Vote carries 5-0-0.**

Administrator J. Hoch asks the Board if they would like him to have Counsel follow up on this article with the PUC.

Selectman F. Byron make a **motion** that the Board of Selectmen authorize Town Counsel through our intervenor to file a motion with the PUC questioning the excessive dividends that Pennichuck awarded Nashua

Selectmen P. Jewett **seconds** the motion. **Vote carries 5-0-0.**

Other Items

Mosquito Control Update

Selectman J. Brunelle states that the Litchfield Mosquito Control District met for an unscheduled urgent session last Thursday.

J. Hoch states that this is the time of year that the district is seeing positive hits for EEE infected mosquito populations in surrounding Communities. Most of the concerns are on School District properties, they want to remind the School to remove items that can collect standing water, to treat drainage culverts and runoff areas on school grounds. Also they recommended the District consider a barrier spraying at the School. This is also a public awareness issue at this point to also protect you home, and to use spray when outside.

Selectman Reports

Selectman P. Jewett would like to take this opportunity to thank everyone for their flowers and gifts of food, and mostly for all the prayers she received, they truly helped.

She would also like donations to fill backpacks with school supplies for the children in need in Litchfield. She estimates 60 children need help from grades K to 12. There will be a box to collect any donations in the lobby of the Town Hall.

Selectman F. Byron states the Planning Board meet on Tuesday of last week. There was a discussion which he had to recuse himself from, on a Regional Impact Operations in front of the Londonderry Planning Board by Londonderry Fish and Game.

Selectman B. Lemire states that they conducted the first Police contract negotiations on Tuesday of last week.

Selectman K. Bourque states that the Recreation Committee has been quiet, however Jack Pinciario will be helping out to try and keep the park and surrounding areas cleaner.

Selectman J. Brunelle states that the Budget Committee held a meeting last Thursday and presented the Board of Selectmen with a schedule for Budget Review consisting of four meetings starting on September 26 and ending in October.

He would also like to give a heads up regarding the Police Department, everything within the Department is recorded and this system was installed in 1998, they are experiencing challenges with the system and it is to the point of not being able to be repaired. Replacing it may become an issue in the near future. Selectman J. Brunelle states that the cost is around \$32,000.

Items Moved From Consent - Discussed earlier in meeting

Other Business

Selectman F. Byron would like to have a discussion regarding unclaimed impact fees, this topic has been continued from last year and he would like some information as to how the Board will proceed.

Administrator J. Hoch states that this topic was postponed due to the court system having certain guidelines you have to follow in order to collect, and one of the steps was not completed until July of this year. So the process can move forward now, there are 4 accounts that have been unclaimed. He states that for one Developer the total is \$17,000 the other is \$25,000 of which the Town can collect reasonable administration fees associated with the case.

Selectman J. Brunelle makes a **motion** to authorize Counsel to proceed with the court process to return these fees

Selectman B. Lemire **seconds** the motion.

Selectman F. Byron asks if this should be made a policy so Jason can have the authority to annually proceed with Counsel on any case that may arise.

The Board agrees to implement a policy and approve it at a future meeting. **Vote carries 5-0-0.**

Selectman J. Brunelle states that he thought the policy for the Board of Selectmen regarding the press, was that when it pertained to anything relating to the Town, it was to be handled by the Chairman or a delegate from the Chairman or the Town Administrator.

Selectman F. Byron states that he was asked a couple of questions by the press and he provided an answer. He copied Selectman J. Brunelle as well as J. Hoch. He states he has seen members of the Board talking with the press and answering questions so he thought the policy was no longer in effect.

Selectman F. Byron makes a **motion** that it is only the Chairman of the Board of Selectmen or someone he appoints to handle speaking to the press.

Selectman P. Jewett **seconds** the motion. **Vote carries 5-0-0.**

Selectman F. Byron states that after hearing all the expenses that may be coming in over the next three years, he would like to limit the budget to a flat budget because he feels that it will

end up being a 5% budget. He is requesting all Department Heads to come to this Board with their budgets 5% below the proposed 2013 budget that got defeated. F. Byron states that every year the budget comes in over (last year it was 130,000 over). He feels the Board should be doing everything it can for the citizens of this town to keep the tax rate down.

Selectman J. Brunelle does not agree, he wants the Department Heads to be able to discuss and present what they feel is needed. Then as a Board they discuss what can be done for each department.

Board of Selectman and J. Hoch continues to debate their views on the pros and cons of enforcing restrictions on the budget.

Selectman F. Byron makes a **motion** for the Board of Selectmen to request that the Department Heads come in 5% lower than the 2013 proposed budget and to provide a list of items not being put into that budget due to the 5% cap, for the Board to review.

Selectman K. Bourque **seconds** the motion

Selectman B. Lemire believes there is a clear intention with this for the Departments to share what it is they need and allow the Board to adjust if necessary.

Selectman K. Bourque agrees and feels the Departments Heads will have no problem coming forward and discussing any need they may require.

Selectman F. Byron states that the Police contract, and warrant articles are not apart of this number. Contract obligations such as steps and wages are not going to be changed.

Vote carries 5-0-0.

Selectman B. Lemire makes a **motion** to adjourn. Selectman K. Bourque **seconds** the motion
Vote carries 5-0-0.

The next Board of Selectmen's meeting will be on September 9, 2013 at 6:00 pm at Town Hall

Approved September 9, 2013