

TOWN OF LITCHFIELD BOARD OF SELECTMEN

February 24, 2014

Selectmen's Meeting

Members Present: John R. Brunelle, Chairman
M. Patricia Jewett (7:05)
Brent Lemire
Kevin Bourque

Members Absent: Frank Byron

5:00 p.m. Paperwork Review

6:00 p.m. Call to order

Pledge of Allegiance

Selectman John Brunelle read aloud the Items for Consent

Review of Items for Consent

1. Minutes of February 10, 2014
2. Account Payable Manifest (\$109,116.56)
3. Payroll Manifest (\$44,510.04)
4. Abatement approvals - Map 4, Lot 80; Map 4, Lot 79
5. Abatement denial
6. Veterans Tax Credit applications (3)

Selectman B. Lemire **motioned** to approve the items for consent. Selectman K. Bourque **seconded** the motion. The motion carried **3-0-0**.

Request for Items - Other Business

Selectman B. Lemire would like to discuss some of the legislation that is pending in Concord and to see if the Board of Selectmen is willing to offer support, Our Senator is looking for input from the Town's on a bill.

(Pat Jewett arrived at meeting 7:04)

Public Hearing - Land Use Change Tax Fund

Jason explained that this is a public hearing for the Land Use Change Tax Fund; this is one of the articles that we have on the warrant that deals with that excess in the Land Use Change Tax Fund that would not be going into conservation fund if that million dollar cap goes forward. Jason

explained that we are required by State Law to hold this hearing based on the creation of that fund, if it is approved this would take all that Land Use Change Tax revenues, deposit them into Land Use Change Tax Fund. At the following Town Meeting; Articles could be presented to transfer these funds to conservation tax reduction or other purposes. The rationale behind this is so that we have a cooling off place for funds to avoid volatility in the tax rate. The concern would be one big piece coming out of current use one year, you get a large chunk of tax revenue, it drops the tax rate automatically and then the next year taxes spike back up again because of that one timer. This gives the voters the ability to manage this. Jason mentioned to bear in mind that the funds can only remain in that fund for a year, so if the Board was to propose article or articles allocating those funds into a certain manner and they fail the Town Meeting, those balances would automatically go to that years revenue to offset taxes. Jason stated that they talked about this and it was presented at deliberative, the timing on this is weird because there is nothing you can do with a Public Hearing at this point other than hold it. Normally these kinds of things are done before the deliberative, this is one that didn't catch up, so this is our hearing for that purpose; and the voters will be voting on it as written.

Public Comment:

No Members present

Public Hearing Closed

Items removed from Consent

No items removed.

Administrator Report

New Business

Skid Steer Lease

Jason mentioned that at the last meeting they were presented the challenge of a skid steer facing at least \$6,500 worth of repair. Jason mentioned that he had sent out notes to the Board and posted them on the website to inform the general public as well. There was a failure in the hydraulic system and we knew that it was going to be \$6,500 for replacing that, but because the system had exploded and sent metal shards through the system, we may have found other problems once that was replaced. The actual part that needed to go in; the difference between a new and used part (which was a question that came up at the last meeting) was only around \$2,500 difference for that part and the balance was going to be labor. Jason mentioned that at the last meeting the Board authorized to proceed with the replacement, with the thought being, they would be able to cover the cost of any lease payment from the Trust Fund as the fall back. Following that meeting, Dave went out and they received 4 quotes and looked at options to figure out what the best match was going to be. Jason stated that after reviewing options and quotes on Feb. 12th, Dave and he opted to proceed with a Caterpillar 226B3 Skid Steer Loader with a net cost of \$33,250 after an allowance of \$2,500 trade for our existing New Holland L170 skid steer. It was delivered on Feb. 14 and is in use now. Jason mentioned that one of the reason

they wanted to move quickly on this is because it is a core piece of equipment they need to run in that department. If we did not have it there, we would be renting it for \$500 a weekend for a rental piece of equipment. At the last meeting, we were contemplating a three year lease funded through the Public Works Trust Fund.

The offer we received from CAT Financial for a 2% interest rate for a five year lease led Jason to request that paperwork. The cost of borrowing is \$1,641 and annual payments would be \$6,978.16 (5 year cost of \$34,891.80). There is no pre-pay penalty. This seems to offer us the most flexibility and least budget impact. Recall, as well, that we are applying again for the NH the Beautiful Grant which may provide up to \$5,000 towards that purchase. Jason stated that he would recommend not planning on that at the moment, but keep it as a future possibility. Mr. Lemire asked if this would have to go into the general fund or can it as a grant be directly applied to the purchase. Jason stated that it would pass through the general fund; it would basically reimburse us (in the big picture). With that in mind, Jason suggests that we make the first year payment provisionally from operating budget. Later this year, we should determine whether we have the ability to apply any grant funds to this years payment, or pay down further, or offset it by by covering a related and eligible cost from the capital reserve fund. Jason mentioned that the Board also could, if all of the plans lie properly (at the last meeting one of the things they talked about was) paying for it straight up; dumping the whole balance of the capital reserve fund. His cautiousness comes from the fact that once you take it out of the capital reserve, it requires going back to Town Meeting to put it back in so he does not want to rush that decision now. Jason would recommend not spending the capital reserve until absolutely necessary -- especially prior to this year's town meeting and given the recent winter maintenance costs we've had. Mr. Brunelle mentioned that Jason's recommendation that the Board go ahead with the 5 year lease, there is no penalty for prepaying, we can pay it off this year or we can decide to pay if off in three or five years. Leave the money in the fund for now until we see where we are at after Town Meeting and where the rest of the bills lay out. The Board agreed that it makes sense to them.

Jason has attached the paperwork below. The Town has leased with CAT in the past. Per their directions, we need either the resolution or the letter from counsel. Given that we usually have counsel review these anyway. Jason mentioned that he has opted for that route. Jason stated that on the Board's end, he would suggest that the Board pass a motion authorizing him to sign all necessary documents associated with the lease.

Mr. Lemire **motioned** to authorize the Town Administrator to execute the lease documents on the Town's behalf according to the method that was just discussed. Mr. Bourque **seconded** the motion. The motioned carried **4-0-0**.

Jason wanted to acknowledge for a moment something that he eluded to earlier; the past couple of weeks have certainly been challenging in the Highway Department, with the continuous snow, freeze, thaw and the like. Our staff and contractors have run up a pretty serious number of hours to try to keep our roads in really good condition; these have been challenging conditions to stay on top of and it is day after day. Jason mentioned that it is not like some of the storms that

we have had in the past where you clear the snow out one day, the sun comes out the next day and the residual salt clears it up; in this case the residual salt is being scooped up the next day because there is more snow out there. Cost wise, it is winter, it is what we do and is not discretionary. Jason mentioned that it has been a hectic couple of weeks and he wants to acknowledge their work. Mr. Brunelle stated that he has spoken to Jack during some of the tough times over the last couple of weeks. Jack and his crew have done an incredible job, with the resources we have. John mentioned that it looks like they are going to have a tough spring as far as repairing the roads because of the salt usage. Everybody expects the snow to get cleared and these guys are working around the clock to do it, and he can not say enough about them. The board concurred. John will send an email to Jack and share with his staff thanking them for the outstanding job they have been doing.

Old Business

Wage Plan

Jason wanted to note that when the Board approved the wage plan at the end of last year, there was a timeline for presenting a transition plan by February 1. Since the funds the Board requested were not included in the Budget Committee's budget, Jason opted not to undertake what felt like a paperwork only exercise. Jason stated that his intention is to put together a plan following Town Meeting with a better sense of what our budget constraints are. Jason mentioned that that transition plan also talked about various intervals to start doing catch up; one of those intervals would be April 1st. To that end, given that the funds are not readily available in the line that the Board intended, any plan would not have a change on April 1 which was an option anticipated in the original timeline. John mentioned that the Board made a motion to do that, and in the plan it actually details the timeline.

Other Items

Jason stated that the flyer for the HLN will be in the paper the week before the vote . There is a sample. The flyer will be 12 x 18. The flyer went to the printer last week. Jason stated that we can make the flyer available online as well as a sample ballot. Jason stated that the Town Report is also ready to go.

Jason stated that the Property Liability Insurance is due for renewal in July. Jason stated that giving we are coming out of a 3 year cycle, his intention is to secure some quotes. Also, giving the interesting status at the moment of Property Liability Trust, as part of the whole exchange with the Secretary of State and the Bureau of Securities Regulation and all of the various court cases; they are actually in an interesting receivership now, having been spun off last year as a separate company, are now under the umbrella of Health Trust Again. Jason stated that his plan is to review with them what they are; we have no issues with service. Primex is also the other major pool player. We were with Primex. Jason will get some numbers there. Jason stated that he is actually going to look in a limited way at commercial market. The insurer that we deal with for some of our supplemental, short term, long term disability life insurance has a municipal services division and they are well versed in what we need. Jason stated that he has started a

process with them as well and he expects that the Board will be getting a recommendation back from him in the beginning of May.

Selectmen Reports

Mr. Brunelle mentioned that he wanted to note that the winterfest, which was last weekend; Jason and himself, Chief Fraitzi, another firefighter and Mrs. Barker and Terri Brian all judged the Chili contest. John mentioned that there was a great turnout. He was there in the morning and throughout the chili fest and left around 2:00. There were a lot of people coming and going. The weather was nice. John wanted to give a hats off to Keith Buxton and the crew involved, they did a great job again and is looking forward to see what they can do in the Spring and Summer. With the pavilion, it opens up the facility for more community gatherings. The winterfest was a lot bigger than it was last year. Mr. Lemire stated that they are doing a great job with the limited resources they have. Mr. Lemire stated that he is very impressed with the commitment that they have shown and their ability to throw these things together.

Jason mentioned that he was really happy that they were able to assist. Keith asked about a way to take credit cards, so Jason asked the Town Clerk, because they have that functionality and within a day or two, we had that functionality turned on through the existing system we have at no additional cost. Jason also mentioned that John also set up equipment to make sure wifi was available.

Items removed from Consent

No items removed

Other Business

Mr. Lemire wanted to mention that regarding the NHMA; he was at a meeting and we are one of few communities who have not paid yet, and knows there was discussion before to remove money from the budget, and apparently it was taken and Mr. Lemire was not in favor of it because he personally is a beneficiary of all of the help that they are able to give the municipalities in the different communities. Mr. Lemire mentioned that he talked to our Town Clerk and asked her if she used them a lot and she said absolutely and Brent mentioned that he knows that Jason uses their resources too. Mr. Lemire made a **motion** to maintain our membership in the New Hampshire Municipal Association and consequently pay the bill to retain that membership with them for this year. Selectman K. Bourque **seconded** the motion. Mr. Bourque wanted to mention that he originally voted against this. Kevin stated that he did some homework and research and after doing this research, he definitely thinks it would be a benefit to the Town to go ahead with the membership. The motion carried **4-0-0**. Jason will get this processed.

Mr. Lemire wanted to talk about SB 367; which is the Road Toll or the Gas Tax. Mr. Lemire mentioned that he has been to a couple of presentations where this was discussed and has listened to both sides of the issue and what it boils down to he believes is as Select Persons in our town, He believes that they need to make sure that they maximize any State Aid that we can, because we have been marginalized. Our aid and revenue stream have been reduced

tremendously. Mr. Lemire mentioned that all of these costs that have been pushed down from the state has caused some financial hardships in every town over the last few years. Mr. Lemire mentioned that the Town's derive 12%. Out of that fund, 12% is designated for road improvements for the cities and towns. Apparently, our Senator said that she has not heard anything from the cities and towns. Mr. Lemire would like to see how the Board feels about proposing that we support SB 367 and raising the road toll which hasn't been raised since 1991. Mr. Lemire mentioned that he drives 100 miles a day and is willing to pay his fair share so that we could have the State get more money to repair roads and to at least bump up our share. Mr. Lemire explained that 12% goes to the towns, so any increase in that, it proportionally goes to the cities and towns of that 12%. Mr. Lemire explained that if we do nothing, we will be in the same situation and would like our Senator to know that we do support this bill. Mr. Lemire explained that we may not like it in the form that it is in, but it will go to a committee of conference because there is support in the house. The house does not necessarily support automatic increases; the indexing, but the committee of conference can iron that out. Mr. Lemire explained that he would like to tell the Senator that we are in support because we are looking out for a little more revenue for our towns for our road program. The Board further discussed what this bill meant and what it would actually do. Mr. Lemire **motioned** for the Board to support SB 367 and notify our Senator of our support. Mr. Brunelle **seconded** the motion for further discussion. Mr. Bourque stated that most of the time he hear people complain about property tax and gas tax. Mr. Bourque stated that he agrees that we need to do something with it, because anywhere you drive around the roads are a mess. Mr. Bourque stated that he agrees that they as a Board should support this. Mr. Lemire mentioned that this is the only mechanism that they have been able to come up with. This is a bipartisan bill and has bipartisan support. Mr. Hoch gave the Board some background on this. Mr. Lemire explained that last year the House Bill was defeated in the senate because the senate wanted gaming; gaming failed. This year the republicans and democrats got together in the senate, they put forward the bill. Mr. Brunelle asked how it impacts the Town if this bill is not passed. Mr. Hoch explained that the port holes on Hillcrest and 3A will go further and further down the pipe line to get fixed because the money is not there, the repair crews will not be there for that. The plowing protocols the State uses will likely be revised to plow less aggressively. Jason explained that the other thing that is potentially out there, that share that we get of Block Grant is not enshrined in guarantee. Our share can be adjusted downward to offset what is seen as critical State DOT issues. Mr. Brunelle stated that he would be in favor of a letter to our Senator but, we are in support of it as written, but we also would like to see how we protect the Town's share, and ensure our Block Grant funds don't decrease further than they have. Mr. Lemire explained that you can't really guarantee that unless the language is in the bill. Mr. Brunelle mentioned that he would like to know how the Senator is going to protect the town. Mr. Lemire said we could definitely ask that question. Mr. Brunelle stated that if they are going to put together a letter for the Senator, and we do support it as is currently written today, but in addition, what else can be done to protect the Town's. The **motion** carried 4-0-0.

Selectman B. Lemire **motioned** to Adjourn. Selectman K. Bourque **seconded** the motion. The motion carried **4-0-0**.

The next Board of Selectmen meeting will be March 10, 2014 at 6:00 pm at Town Hall.

Candidates night is Saturday, March 8th at Campbell High School at 9:00 am.

Town meeting, Election day is on Tuesday, March 11th at Campbell High School from 7:00 am to 7:00 pm.

John R. Brunelle, Chairman

Frank A. Byron, V. Chairman

Brent T. Lemire

M. Patricia Jewett

Kevin C. Bourque