

TOWN OF LITCHFIELD BOARD OF SELECTMEN
October 6, 2014

Selectmen's Meeting

Members Present: John R. Brunelle, Chairman
Frank Byron (Vice Chair)
Kevin Bourque
Steve Perry

Members Absent: Brent Lemire (excused)

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 September 22, 2014
2. Account Payable Manifest (\$100,138.64)
3. Payroll Manifest (\$46,046.53)
4. Town Administrator Contract renewal
5. Land Use Change Tax Warrant - Map 10, Lots 77-6 and 77-7
6. Intent to Cut, Map 5 Lot 195 and Maps 1 Lots 20 and 31
7. Avitar Valuation Update Contract

Selectman K. Bourque **motioned** to approve the items for consent. Selectman F. Byron **seconded** the motion. The motion carried **4-0-0**.

Request for Items - Other Business

None

Administrator Report

New Business

Solid Waste Facility Baler Failure

Jason mentioned that after a few days away, Dave Mellen came in and told him that the oldest baler at the Solid Waste Facility is broken, one of the vertical tracks has worn away, over time the door has bent and most recently the door sliding down sheared off some more

bolts. What was more of a concern to Dave is that the motor started smoking and making unusual noises. Dave took it out of service last week. Jason mentioned that this was purchased used in 2008. It is used for plastics, which is one of the most demanding baled recyclables we do. We have know this machine has been on its last legs and have been trying to carry it as long as we could which is was one of the reasons Jason recommended the Equipment Capital Reserve Fund for Solid Waste several years ago so if a baler failed we would be able to replace it since we can not go long periods of time without all three balers. When the preventative maintenance work was done in July, the company advised us that the machine was on its way out. Jason mentioned that they looked at a few alternatives, new and used machines. A new machine delivered and installed is going to be approximately \$13,000. We would expect a used machine to be in the 5-\$7,000 range. Jason stated that two ways to look at this is if we purchase new equipment with a co op, they could provide us interest free financing for three years with repayment coming from proceeds of sale of recyclables. Jason mentioned that the alternative way is that we can pay for it through the Capital Reserve Fund that was explicitly created for this type of purpose. Jason stated that there is a possibility that the new purchase might be eligible for another New Hampshire's Beautiful Grant, but is not counting that in any of those plans, their time table wraps around calendar year, so we can't really count on that. (we got one earlier this year to offset the Skid Steer). Jason is looking at whether there is any strong preference over new versus used, and potentially on financing. Jason mentioned that the more he thought about it the more he is inclined to lean to Capital Reserve route. The question was asked why? Jason explained that the money is there and was set aside for that purpose and is a little weary of the agreement with the co op (which is kind of like a lease) but not a lease because it is coming out of deferred revenue and the amount of headaches that will likely ensue from trying to figure out how to manage that contract will offset whatever interest savings we may get, because it is not straightforward. Mr. Bourque asked if we were going to get anything for the other machine. Jason stated that it will be under \$1,000. Mr. Byron asked if there were any leads on used. Jason stated that he had a couple of leads, but he does not have final numbers on them yet; this came up quickly last week.

Jason would like to know if the board had a strong preference of used or new, and the authorization for Dave and himself to find the best deal for the Town within that parameter of used or new and an understanding of how the Board would prefer to pay for it and do you want him to explore further financing with the Co op or would you like to use the Capital Reserve with the understanding that once we have the final numbers, the Board will make the motion to withdraw the amount of the Capital Reserve.

Selectman J. Brunelle **motioned** that the Board of Selectmen authorize the procurement of a new baler, not to exceed \$13,000 and will determine the payment method once the actual unit will be in the cost. Selectman K. Bourque **seconded** the motion. There was some discussion. Selectman S. Perry made an **amendment** to the motion to come from the Capital Reserve Fund. Selectman K. Bourque **seconded** the motion. Amendment passed **4-0-0**. The amended motion passed **4-0-0**.

Old Business

Property Auction

Jason stated that the property auction for 17 Corning Road sold for \$187,500 at auction. There were over 100 attendees there. This was the largest attendance that Sullivan & Sullivan have had in New Hampshire. Jason stated that they were really pleased working with the company. Jason mentioned that he was not available the day of the auction but Terri Briand stood on for him, they had been working with the company throughout the process and she was extremely positive about how things worked out on-site that day. Jason stated that right now he is working with Counsel on closing and should be within 30 days from auction. In the signature folder there is a quit claim deed. The other thing Jason is going to need is the authority to execute any other necessary documents related to the transaction. The CD57S (which is a DRA tac form). Jason mentioned that once this is all completed they will finalize the talley of interest, taxes, penalties, carrying charges; clear those accounts in our books and send the balance to the previous owners. Selectman Brunelle **motioned** that the Board of Selectmen authorize Town Administrator Jason Hoch to execute on all paper work and activities around the sale of 17 Corning Road. Selectman F. Byron seconded the motion. Vote passes **4-0-0**.

Warrant Article List 2015

Jason just wanted to remind the Board that this document exists, and this is his intention for the next BOS meeting is to begin getting the list of warrant articles together, particularly those that we see having appropriation attached. Jason would like everyone to get on board with those, understand what those numbers are, so they can hand those off to the Budget Committee and then move on to the non-financial impact articles after. Jason mentioned to the Board that if there are things they feel that should be on that list for appropriation articles that they have not talked about, feel free to add them to the list or send him a note and then they can flush them out for conversation at the next meeting. Selectman Brunelle asked what the date was that they were targeting to be done with all the appropriation articles, to give to the budget committee. Jason stated that articles are mid to late November. Jason stated that they are slated to present the financial impact warrant articles on December 11th.

Other Items

Jason wanted to remind the Board at their next meeting they will be discussing and accepting and appropriating the variou bits of unanticipated revenue that has come in through the year.

John Brunelle wanted to mention that the Chiefs car died on the way into work. It is most likely just an alternator.

Selectmen Reports

Selectman Perry mentioned that he did bring back to the Recreation Commission the Selectmen saying they were fully behind them for whatever had to be done. The Recreation Commission did talk about the possibility of maybe wanting to get cameras in there. There is an issue of power trying to get the cameras all the way down to the circle. They were happy

to hear about getting the signage put in permanently and they hope the bike rack is going to be included as well. They have some equipment when they do the signs to hopefully do the bike rack as well.

Selectman Byron mentioned that there was a Budget Committee meeting on the 25th of September and basically at that meeting one of the things that came up was the re-opening of the budget at year end to consider items. In the past the Selectmen have taking items that were part of the budget that had excess or additional funds left over from the current year and apply those to the future year, take them off the budget and drop the tax rate. The Budget Committee has stated that they do not want to reopen the budget at year end and reconsider those items. Selectman Brunelle asked what the justification for this was. Mr. Byron stated that apparently it causes confusion amongst the Budget Committee and they feel that they have to re-vote the items. Selectman Byron stated that the argument is that we can apply that money if we wanted to towards deferring the cost of the subsequent year's budget by putting that as a dedication at the tax rate setting time.

Selectman Byron also mentioned that there was also a Budget Committee meeting on the 30th, this was a special Budget Committee Meeting, Mr. Cordell Johnson provided training to the Budget Committee on the duties and responsibilities of the Budget Committee and basically he described how the two Boards work together and how they function jointly and what their responsibilities are. Everything was stated there that was previously stated to this Board so there was no new information.

Selectman Brunelle mentioned that he attended the later part of the Conservation Meeting. Their issue was the legal fees from the sale; they have asked for the Board of Selectmen to consider paying it out of the Boards direct legal fees and taking it out of the Conservation Fund. Mr. Brunelle told them that he would bring this to the BOS. Mr. Brunelle mentioned that it was \$800.00. The Board had discussion about whether they wanted to leave it the way it is or do something different. The Board decided to leave it the way it is.

Selectman Brunelle wanted to note that the Capital Improvement Committee met this past Thursday and are working on some recommendations to come forward. This was the first official meeting. Mr. Brunelle stated that they are hoping to get the schedule more certified and meet in this room where they can actually record it.

Jason wanted to note that one of the things the Committee is starting with is starting to go out and look and see some of the things we have, their first meeting in November they will be at the Solid Waste Facility and the Highway Department. The Committee would like to understand what these things are and role in the departments. Mr. Brunelle mentioned that prior to the warrant setting, he thinks they will probably come forward requesting a warrant for some kind of capital reserve fund that would help them start.

Selectman Byron mentioned that today he received a note from the Chairman of the Budget Committee asking about tours for Schools and Town Facilities and departments, especially if there is going to be request for items that will impact the respected budgets. Frank mentioned

that he sent this to Jason so that he can address this. Jason will contact the Chairman.

Selectman Byron mentioned that there was also an email that he received on a separate letter head from the Chairman of the Budget Committee; there were apparently questions from a member asking about the work done on last years warrant articles. One of them was in reference to Article 11 - the old Town Hall being repainted and Frank responded back that yes the old Town Hall was repainted and the project was complete. The second question was on Article 12 - to have the roof at Talent Hall replaced and Frank responded back that it is not as of yet. Article 19 - Road Study improvement 102 intersection. Frank responded that there was a feasibility study done and this was accepted by the Board of Selectmen and will result in a follow up warrant article in terms and desires of the citizens. Article 22 - with regards to the Road Agent position. "What are the Board of Selectmen's intentions going to the 2015 annual meeting"? Frank stated that there is no change in the intention from the Selectmen, that the position be appointed in time for the person to assume their duties per the citizens direction this March. Article 18 - the Conservation fund; they are asking if Darrah was treated this year and the answer was yes, the pond was treated to eliminate milfoil.

Public Input

Mr. Chris Pascucci of 12 Colonial Drive came in front of the Board and mentioned that the 4 Board members present tonight really have nothing to do with this, but he wanted to express disappointment that Mr. Lemire misses most of the meetings here, it is much more than 50% and he thinks this is wrong, he was just elected to another term, and Mr. Pascucci stated that he had to point that out, because Mr. Lemire owes it to the people of this Town to be present at the meetings. Mr. Pascucci mentioned to Mr. Brunelle that he mentioned the Capital Improvement Committee, and noticed it was not being recorded, will the next one be recorded? Mr. Brunelle stated that was the plan, the first meeting they had the recorder was broken so they did not go live but they were not established at that point they were looking at members who were interested, the second meeting which happened last Thursday; this room was already booked with the Conservation Committee, so they had the meeting in the back room. They have minutes and will be published when they get approval. Mr. Pascucci asked that moving forward, they will be scheduled in a way in which they can be recorded. Mr. Brunelle stated yes, they have to find a time slot that doesn't conflict with the other ones. Mr. Pascucci asked how we get the Cable Committee to record their meetings, it is kind of ironic that the people who are incharge of the cameras don't turn them on during their own meetings. Mr. Brunelle stated that they are supposed to be recording their meetings, so he will send a note to the Chair and suggest that they change their meeting location to someplace where they can record. Mr. Pascucci mentioned that at the last BOS meeting the board was talking about Mr. Brunelle and how he doubles as the IT person at Town Hall, Mr. Pascucci stated that he truly understands part of the logic, it is a cost savings, truly like you guys speak about, he appreciates all the hard work you have done and knows it is a lot of time and effort, it is a big job, but he would like the Board to just discuss this a little bit more. Mr. Brunelle is an elected Board of Selectmen, he is a citizen of this town, but he also has the passwords to all our computers, the criminal and personal records, the whole Police

Department. Mr. Pascucci stated that he does see a problem with that as well as others. Most people will not come up here and talk about it. Mr. Pascucci stated that personally Mr. Brunelle is a great guy, but the point is, we have to have some separation and thinks it is important. Mr. Pascucci stated that he knows the Board is talking about phasing in some money; ultimately we are going to have too. Mr. Pascucci thinks the time should be now. The school has an IT guy and thinks it is a salary of \$60 something thousand dollars, he handles hundreds and hundreds of computers and different ports; the Town is a fraction of that and doesn't know if we can do something with the School's IT guy or just sub it out to a private contractor, but thinks it is worth the discussion sooner rather than later. Mr. Pascucci stated that this is not reflection on Mr. Brunelle personally and wants to make that clear, he believes it is more of positional. Mr. Pascucci stated that during the meeting of August 11, 2014, something that he has a concern about is that the Town Administrator said that he and the Road Agent have been discussing moving away from that model and the model he was referring to was the way that we handle snow plowing here in Litchfield. We currently utilize mostly private contractors, with their own vehicles, but the Town of Litchfield supplies, installs and retains the plows and sanders, it is a system that has worked well for years and of course we cycle through contractors from time to time, but the system has worked. If the Road Agent or the Town Administrator or even the Board of Selectmen wanted to move away from that model, he believes it is certainly worthy of a discussion. The discussion should start with the department heads, the Town Administrator, the Board of Selectmen and it should go on the the Budget Committee because there is a financial impact, and ultimately the voters because it is a change of model, this is a big deal. You can minimize this just by saying we are just going to redirect a few thousand dollars from the repair line of the budget, but you guys asked for that money to repair and maintain vehicles and equipment. The Budget Committee recommended it for that purpose, the voters voted on it for that purpose. Mr Pascucci went on to say the the BOS is now redirecting it to purchase something and even above that, to change the model that we currently doing, and he does not think that it should be done that way, especially with what you are purchasing is a depreciating asset. Mr. Pascucci stated that the bigger issue is, is that this is how Town Governments continue to get bigger and bigger, it is the incrementalism that leads to more government employees, more cost depreciating assets and higher taxes; it takes a few years, but it is slow and once you get there you can not turn back, which is okay if that is what the voters want, but you are not giving them a choice, it start slowly; a few years ago we were asked to change the purchasing plan the way we had it which kind of handcuffed you guys a little bit, but those handcuffs are off now which helps allow for something like this. Mr. Pascucci stated that the plowing contract as he understand is a few thousand dollars if they fail, but you can find other time factors, they are out there and that keeps with the same model. It is easy to use that excuse or its hard to find somebody to go ahead and change the model, but that means you are also choosing to increase the size and scope of the government as well as the taxes we are paying well into the future. Mr. Pascucci, stated that the prediction; what is going to happen, you bought a used truck with 125 thousand miles on it, used only during the winter, it was clearly said here that it was going to sit all summer, for three seasons it is just going to sit. What happens when vehicles sit: they rust, tires dry rot. We are increasing the fleet that we

own in this town; ultimately what is that going to mean? We are going to need another garage to park them all to keep them out of the weather and at some point you may come forward and say now we need a mechanic because it will be cheaper to maintain our own trucks because we have so many and of course with all of that the next thing you are going to ask is that your are going to need a full time Road Agent because the part time Road Agent can't handle the huge fleet, that is the incrementalism that ultimately happens in Government and it's okay if that is what the people want. Ultimately that truck is not going to last very long, so you are going to go to the voters and the Budget Committee and say we are going to need a new truck, the rationale is going to be that we own the asset so we have to replace it, it is usually the rational and he agrees if you own an asset you should replace it, but remember nobody wanted in this town that asset, it was only the BOS. Mr. Pascucci stated that the last thing he is going to say on this is that we heard that we save money, we can only pay \$20 an hour instead of \$70. Mr. Pascucci stated that he would love to have that discussion but he can tell you that there is no way increasing the government will ever save money, it is always less expensive to subcontract out as much as possible, so please, if you want to change the model, please do it through the appropriate channels and not just take the action to yourself.

Mr. Jason Guerrette of 11 Perry Court came in front of the Board to comment on what Mr. Pascucci said. Mr. Guerrette stated that he does agree with him, but in business we don't internalize those things they don't do. In other words, when I was in the paper business, we made paper; we didn't take in house those things that were not related to paper, you outsource that because you are not the expert. In this case, he has to agree, with plowing you outsource that to people that plow and it is always cheaper. When you bring in more and more, it just gets fat and bloated and we can talk about that forever, but that is what Government is. Mr. Guerrette asked if there were any open 91A requests for the Town. Mr. Perry stated that there is not.

Public Input Closed

Items removed from Consent

No items removed

Other Business

2015 Budget Review

Mr. Hoch stated that Revenues are basically flat.

Mathematical default budget is \$5,135,609 and proposed budget is \$5,241,054. 2014 default was \$5,007,408 (recall, though that an additional \$240,514 was raised by warrant article, including \$44,562 for Police contract).

The difference between 2015 proposed and default budgets is \$105,445 (approximately 2%).

Jason went through the budget items:

Executive

- TA Contract
- Restores BOS stipend deferred in default Budget

Town Meeting

- Adjusted for fewer elections

Town Clerk

- Moved mileage to Accounting budget (remove artificial division between Clerk and Collector - practically, deposits are a delegated function from Treasurer which is in Accounting)

Accounting

- Movement through old wage plan
- Moved mileage from Clerk and Collector

Information Technology

- Centralizes all shared voice and data services
- IT Manager stipend
- Systems Maintenance (due to original timing, no charge in 2014)
- Copier and printer upgrades - Clerk/Collector, Fire Department
- Remove Town Hall copier lease (own equipment)

Tax

- Moved mileage to Accounting

Assessing

- Includes charge for 2015 revaluation - \$95,000, incremental savings over previous 4 years, slightly less than anticipated for level funding

Legal

- Unchanged

Personnel Administration

- No return of Health Surplus
- NHRS rate increase July 1
- Social Security, Medicare and Retirement all adjusted based on projected/contracted wages
- No excess workers compensation premium holiday

Planning

- Flat

Zoning Board of Adjustment

- Unchanged

General Government Buildings

- Returns 2 weeks of prison work program
- Higher propane costs based on 2014 experience

Cemeteries

- Unchanged

Other Insurance

- Reflects 5% increase (may still change based on experience rating. Final rates not set yet)

Advertising/Regional Associations

- Flat

Police

- Captain promotion/wage adjustment
- Officer - fill vacancy, union contract, 1 Officer advance to Corporal (longevity), education stipend payment, shift differential increase from contract
- Reduce special officers hours
- Overtime - increased wages due to contract, additional full year of 2 Corporals at higher rate
- Captain OT - reflect wage increase and more realistic hours
- Reduced court overtime
- OT Training - slight change due to wages, returned professional training progression which was deferred due to default budget
- Reduced vehicle repair - anticipate cruiser replacement
- Combined tire purchases into vehicle repair
- Uniform replacement increased per contract
- Ammunition requires replenishment (reduced 2014 due to default budget)
- Replacement of tasers ½
- Cruiser replacement
- *Approximately \$53,000 attributable to wages and benefits from the union contract (\$44,562 approved in 2014 warrant article)*

Police Support

- Dispatch wages per contract
- Restored dispatch coverage and OT hours (cut during default)

Fire

- Chief wage per contract
- Reduced call expectation
- Reduced training wages - moved to seminars line as tuition
- No restoration of Saturday/Sunday coverage
- Moved tire purchase to vehicle repair
- Restore call company and Chief uniform allowance
- Thermal camera replacement

Regarding the thermal camera replacement Selectman Byron questioned whether it made sense to take it from the budget and make a stand alone warrant article. After further discussion the Board decided to leave it in the budget.

Hydrants

- Potential small adjustment with receipt of final rates from Pennichuck

Code Enforcement

- Flat

Emergency Management

- Full cost of CodeRed (had been paying ½ from prior year funds)

Road Agent

- Restore full consulting engineer services

Road Maintenance

- Equipment rental for roadside mowing
- Restore road maintenance budget
- Removed catch basin program
- Restored salt purchase
- Gross appropriate increased Highway Block Grant

Street Lighting

- Unchanged

Solid Waste Administration

- Change in Demolition Disposal, Freon, Glass and Electronics (processed through Co-op, some costs netted out of recycled material revenues)

Health

- Unchanged

Mosquito

- Contract change

Animal Control

- Restored building maintenance to previous level (early 2014 issue accommodated in revised budget)

Health Agencies

- Unchanged (Child Advocacy - move to Police Dept)

Welfare

- Unchanged

Parks and Recreation

- Flat

Library

- Flat

Patriotic Purposes

- Unchanged

Conservation

- Flat

Selectman F. Byron stated that last year the Town voted to construct a Conservation fund as required under RSA and in the RSA 36:A 36 I it clearly says that any purpose contained within the chapter of conservation. (which means the whole purpose of conservation and everything else can be taking from that fund) Mr. Byron's question is why can't we zero this out and have the Conservation Commission utilize the conservation fund that they have to provide for their purposes. Mr. Hoch stated that the response that he had was that he took a narrower view of

it like he did in this current years budget and read that law as their appropriation spending where it is necessary to acquire, maintain, approve, protect or limit the future use of, or otherwise conserve and properly utilize open space as other land, water areas within a city or town. It is in the Law. Mr. Hoch stated that his view on that was that he pulled property management out and said that goes to the fund, so the actual kind of care and maintenance of their actual property. The Board discussed the RSA. Selectman F. Byron **motioned** that the Board of Selectmen zero out the Conservation Commission Budget line and have it basically replaced with self funding through the Conservation Commission Fund. Selectman S. Perry **seconded** the motion. Selectman F. Byron **motioned** to table the discussion. Selectman S. Perry **seconded** the motion. The motion carried **4-0-0**.

Debt Services

- Unchanged

Selectman F. Byron asked Mr. Hoch if the \$5,241,054 was correct. Mr. Hoch answered yes.

Selectman F. Byron **motioned** the Board of Selectmen approve as the 2015 budget, \$5,241,054 as enumerated in the budget review done by the Town Administrator and Board of Selectmen. Selectman K. Bourque **seconded** the motion. The motion carried **4-0-0**.

Selectman F. Byron **motioned** to move the budget onto the Budget Committee. Selectman K. Bourque **seconded** the motion. The motioned carried **4-0-0**

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

The next Board of Selectmen meeting will be October 27, 2014 at 6:00 pm at Town Hall.

Approved October 27, 2014