

TOWN OF LITCHFIELD BOARD OF SELECTMEN

June 27, 2016

Selectmen's Meeting

Members Present: Brent T. Lemire, Vice Chairman
John R. Brunelle
Steven D. Perry
Kevin C. Bourque

Absent: Frank A. Byron, Chairman - Excused

Also Present: Troy Brown, Town Administrator

5:00 p.m. Paperwork review

6:00 p.m. Call to Order

Pledge of Allegiance

Review of Items for Consent:

1. Approval of Public Meeting Minutes for June 13 & June 15, 2016
2. Approval of Non-Public Meeting Minutes for June 13, 2016
3. Approval of Account Payable Manifest 6/21/2016 (\$34,206.86)
6/28/2016 (\$76,214.79) & 6/28/2016 (\$26,737.00)
4. Approval of Payroll Manifest 6/23/2016 (\$48,170.08) & 6/30//2016 (\$57,183.54)
5. Treasurer Reconciliation - May 2016
6. Abatement (2)
7. Acceptance of Resignation - Police Captain Donnelly

Selectman B. Lemire asks Chief O'Brien if Captain Donnelly is resigning or retiring.

Chief O'Brien states it is a resignation letter for retirement.

B. Lemire states he is doing to things then, resigning his position as Captain and retiring from the Police Department.

Chief O'Brien tells the Board yes.

Approval of Consent Items

Selectman J. Brunelle reads aloud the Items for Consent

Selectman S. Perry **motioned** for the Board of Selectmen to approve the Consent Items

Selectman K. Bourque **seconds** the motion. **Vote carries 4-0-0.**

Request for Additional Items/Other Business - None

Business

Chief O'Brien - Recruitment of New Captain/Part-Time Officer

Selectman B. Lemire states due to Captain Donnelly retiring from the Police Department, Chief O'Brien would like to start the process of recruiting for the vacant Captain position and a Part-time Officer position.

Chief O'Brien states that Captain Donnelly would like to stay on as a PT Officer, and there is a position open. He tells the Board they would promote one of the two Sergeant's to the open Captain position, one of the bargaining members could then test for the Sergeant position, which would leave a Full-time Officer position available.

Selectman B. Lemire asks how many PT Officer's does the Department currently have, and how will this new PT Officer position be funded

Chief O'Brien states there are currently two PT Officers (Officer Harris, and Officer Coral), and the new PT Officer position would be funded from the savings on the Captain position. He tells the Board if they start the hiring process in July by time all the interviews, testing, oral boards etc. is completed the position would probably not be filled until December. This would capture a six month salary/benefit savings from the vacant FT Officer position, as well as the new Captain would not come in at the same salary Captain Donnelly received, this savings to the Department would then pay for a PT Officer.

Selectman B. Lemire discusses his concern with the unknown regarding the savings from the calculations the Chief is counting on, and amount of money for severance pay and a buyout of approximately (\$30,000) that is owed to Officer Donnelly.

B. Lemire states due to the default budget, they set aside (froze) \$30,000 in the Police budget, for PT Officer, this cannot be used for another PT Officer.

Chief O'Brien states he would not be using those funds, the money for the new PT Officer would come from the saving of not paying for the open FT Officer position for 6 months (savings on Captain salary, overtime etc.) He will not over spend his Department Budget.

By hiring this PT Officer, he is trying to limit the overtime that will be paid to the other higher paid Officers, Sergeants and Captain. Paying overtime to those salaries would be a greater concern to the Budget if this PT position is not available.

Selectman K. Bourque asks when the Chief would be looking to fill the Captain position

Chief O'Brien states immediately, then allow (by contract obligations) time for other Officers to study for the exam and test for the Sergeant position and hope that position could be filled by October. He states that Captain Donnelly's retirement for Captain is effective the end of July. Board and the Chief continue to discuss this issue. Board agrees Chief O'Brien has been doing this for 12 years and is capable of managing his budget to the bottom line if need be (not using the \$30,000 set aside). They agree to allow him to do what is best for the Department.

Andrew Collins - Jeff Lane Park Improvements/Expansion

Andrew Collins from the Recreation Commission and Kurt Schaefer, President of Litchfield Baseball are speaking with the Board of Selectmen regarding the improvement and expansion of ballfields on Jeff Lane, and they would like to use funds from Impact Fees to complete this project. Andrew shared a photo and spreadsheet with the Board of Selectmen showing a timeline of the work to be done and a breakdown of the costs involved.

Selectman J. Brunelle states this topic was discussed at the last Recreation Commission meeting, and the need to have it funded by the use of Impact Fees. John stated that he

suggested they come in front of the BOS and present their plan and discuss this funding option, and see if the Board of Selectmen are in support of the project. If the Board is in agreement then Mr. Collins will move forward to the Planning Board for acceptance.

Andrew Collins tells the Board that currently at Jeff Lane there are two fields that are not usable (just sandlots). He states the league is in need of a 70ft baseball diamond, which the town currently does not have. The league is currently using the softball field at LMS with a temporary plastic portable mound, which is less than ideal. Mr. Collins mentions they looked into the current use of what is available for fields, and at Jeff Lane they have almost an additional acre of land which is not being utilized (its currently wooded). By clearing some of this acreage, adding irrigation, redesigning and improving the current fields, they would be able to have two fields and a parking lot (getting the cars off of the road on Brickyard Ln). This would allow the league to have the 4 regulation sized fields needed to operate the baseball program. A 40ft. field for T-Ball, 55ft. for Minors, 60ft for Rookie and a 70ft for Major League.

Andrew states they are looking to use the funds in the Recreation Impact Fund, this would cover the project expense (less \$500 which is earmarked to finish a shed project at Sawmill).

Selectman B. Lemire mentions this is just a rough presentation, is the Commission planning on getting final plans and drawings to present to the BOS and the Planning Board, before getting final approval.

Andrew Collins tells the Board this project is pretty straight forward. He states that when they presented the project at Darrah they spent \$3,500 on Architect/Engineer plans, and mentions when the excavator company came they stated it was a complete waste of time and money. He mentions the Darrah project was more involved than this project, here they are just clearing some trees and leveling out the areas, it's pretty straight forward.

Selectman B. Lemire asks if they have contacted the abutting neighbors, this looks to impact the neighborhood quite a bit.

Mr. Collins states they have not, that would be next if the Board agrees they can move forward.

Selectman S. Perry states these fields will not be seeing any more use than they already do today. It will be giving the town a field they currently do not have and a parking lot area that is much needed to get traffic off the current roadway making it safer for the neighborhood.

Mr. Schaefer mentions the neighbors they have spoke with feel it would be better for the neighborhood, and it would look better.

Board of Selectmen, Andrew and Mr. Schaefer discuss the buffer footage required, and the need to leave a natural tree line and plant additional arborvitae trees if necessary to enhance the buffers. They also mention the enhancement to the Corning Road fields and moving fences and changing backstops to better utilize that field.

Board mentions contacting legal counsel regarding liability/insurance and any requirements of footage between fields and homes. They ask Troy to contact the insurance company and ask the necessary questions.

Selectman J. Brunelle states the goal this evening was to see if the BOS approved of this project allowing the Recreation Commission to move forward, which would include contacting people in the affected neighborhood and finalize quotes and plans. But because the Board of Selectmen allocated all of the Recreation Commission's Impact Fees for the Sawmill project, they are asking the Board to close that project and leave a balance of \$500 as additional money

if needed and reallocate the balance of the Impact Fee Funds for this Jeff Lane project.

Board continues to discuss this matter.

Selectman S. Perry states the Planning Board has looked over this proposal and suggested the Recreation Commission leave as much of a buffer as possible. They would also like the RC to attend the next PB meeting to discuss this project, then they could move forward with sending notices to the neighbors and have a public meeting to discuss their opinions and input on the project.

Andrew Collins mentions they were hoping to send notice for the public to attend the July 12th Recreation Commission meeting for a discussion.

Selectman S. Perry states there is a Planning Board meeting on July 19th, if people are noticed in time they could attend a meeting with the Recreation Commission on the 12th and also attend the Planning Board meeting on the 19th to address any concerns they may have and discuss this issue.

Board of Selectmen agree and support the project and would like Mr. Collins to come back to the Board with firm figures and the necessary written quotes. Also to move forward with the public meeting and attend the next Planning Board meeting to hear the opinion of all regarding this Jeff Lane Project.

Larry Goodhue - Pennichuck Property Tax Assessment

Troy introduces Larry Goodhue (Chief Executive Officer) and Don Ware (Chief Operating Officer) for Pennichuck. They are here to discuss the 2015 property tax valuation assessed on Pennichucks property. Larry Goodhue states in 2010 Pennichuck and the Town of Litchfield experienced a similar situation with regards to an abatement process and the start of litigation on this matter of property valuation assessed to Pennichucks assets. It concluded with Litchfield and Pennichuck stopping the legal proceedings and coming to a 5 year settlement amount and agreement. Mr. Goodhue states now 5 years have passed and the terms of that agreement have expired. So the Town of Litchfield has reappraised/reassessed these properties and Pennichuck is once again in disagreement over the valuation figures. Pennichuck bases their calculations on a Net Book Value (NBV) which is the value at which a Company carries an asset on its balance sheet, it is equal to the cost of the asset minus accumulated depreciation. Where Avitar (Assessor for Litchfield) bases their calculation on Replacement/Reproduction Cost New Less Depreciation (RCNLD) which is a cost approach to value or the theory that the estimate of a property's value can be made by adding the value of the land and depreciated value of improvements. Larry Goodhue states there are multiple ways to value/calculate property with respect to a Regulated Utility Company. So Mr. Goodhue and Mr. Ware are in front of the Board of Selectmen to discuss this issue and see if they can come to some sort of agreement in order to avoid lengthy and costly litigation for both parties. Below is an outline Pennichuck has put together of the history and their calculations regarding this matter.

June 27, 2016 Meeting with Town of Litchfield Board of Selectman Relating to 2015 Property Tax Valuation for which an abatement was filed

- **Purpose of the requested meeting**
 - **Perspective on historical discussions and settlements with the Town**
 - **Basis for investment in water company assets in the Town**
 - **Discussion on calculation/requested 2015 valuation**
 - **Alternative approach for 2015 and going forward**
 - **Rate certainty for Town, Company and most importantly ratepayers/taxpayers**

1. Perspective on historical discussions and settlements with the Town

- a. An abatement was filed relating to the 2010 appraised value, which proceeded to a settlement outside of litigation
- b. The basis of the Town's appraised value on a purely RCNLD approach was \$9,051,900
- c. The Company's Net Book Value of taxable real property assets in Litchfield (including CIAC assets) for 2010 was \$6,871,066
- d. The Company hired an independent expert in preparation for pending litigation on the matter, who determined the value to be approximately \$6,675,000 (including CIAC)
- e. A settlement was reached between the Company and the Town avoiding a full litigation process, whereby the annual tax basis value ranged from \$7,900,000 in 2010 down to \$5,750,000 in 2014, with an overall average value of \$6,810,000 (a near approximation of the Company's NBV).

2. Basis for investment in water company assets in the Town

- a. Since 2010, the Company has made very little investment into the water system assets in Litchfield (approximately \$360K), and in fact the NBV has decreased from \$6,871,066 in 2010 to \$6,447,940 in 2015.
- b. However, the Town has reasserted their appraised valuation at the level of \$10,636,800, based upon the RCNLD methodology only, coming right back to the disputed valuation levels from the 2010 proceedings.

3. Discussion of calculation/requested 2015 valuation

- a. Multiple basis for appraised values possible
 - i. RCNLD
 - ii. Comparable Market Sales Values
 - iii. Cost/Income Approach
- b. RCNLD only basis being used by the Town
- c. Comparable Market Sales Value is a limited or non-existent value
- d. Cost/Income Approach is a valid valuation for our water company assets
 - i. Is a good proxy for true value of the utility
 1. Is the basis for which our revenues are derived
 2. Is the basis that was upheld in the NH Supreme Court as they considered
the appeal of the Eminent Domain ruling for the Company, and the various valuations considered
 3. Relates to a predictable and consistent basis of taxation to be borne by the Company and its ratepayers (who are also the Town's taxpayers)

4. Alternative approach for 2015 and going forward

- a. Use a multiple of NBV of taxable water company assets in the Town each year
 - i. Assets would not include the cost of pavement related to the installation and/or replacement of water mains (as this pavement becomes the property of the town upon the completion of the projects)
 - ii. We would provide a full detailed report of the NBV of assets in the town on an annual basis for the taxable property calculation
 - iii. Install an agreed upon multiple at 1.2x NBV as the basis for taxation by the

Town of

water company real property (including CIAC assets) each year

- 1. Using this methodology, would put the taxable basis at \$7,737,528 (1.2 x \$6,447,940)
- 2. This results in an increase in taxable valuation of approximately \$928K versus the average negotiated value from the 2010 proceedings, in spite of minimal investment (approximately \$360K) by the Company in new real property assets in the Town since 2010
- iv. As the Company is now a debt financed entity, and does not employ the same debt/equity revenue base that a typical utility has, tying tax valuation to actual

NBV

values is a true reflection of invested dollars for which revenue can be derived.

- 1. This is the same argument that can be made for other forms of taxable income producing real property assets (i.e. income producing rental properties, residential, commercial and industrial).
 - a. The underlying market value of other income producing real property assets reflects not only the cost of constructing the real property assets, but is reflective of the cash flows the property will generate, in assessing the true market value of the asset
- 2. Any and all changes in property tax valuations are essentially passed through to our ratepayers as a component of our revenues
 - a. Rate making structure provides for the full recovery of necessary operating expenses, including property taxes

5. Rate certainty for Town, Company and most importantly ratepayers/taxpayers

- a. As property taxes are a component of total operating expenses, for which rate making structure provides for full recovery of those costs, a predictable and consistent methodology is beneficial for our ratepayers (which are also the Town's taxpayers and residents)
- b. As the Company might make investments in infrastructure in the Town, or as public water might be expanded in the town, the value of taxable real property should be in line with that investment

- c. Predictability of tax values and costs/revenues is beneficial to both the Town and the Company

Board discusses the difference in calculations with Mr. Goodhue and Mr. Ware. They state the Company is looking to avoid any lengthy and expensive litigation, and hope to work with Litchfield in coming to an agreement on the 2015 valuation figures and a basis on which to calculate these figures moving forward for the future. Don Ware states he worked with the Town of Litchfield's representative Mr. Roberge in coming to the 2010 agreement and has had no issues with his work, he hopes they all can find some common ground and an agreement in order to avoid any legal expense and come to a mutually agreeable understanding for both parties.

Board of Selectmen thank Mr. Goodhue and Mr. Ware for coming in and speaking with them regarding this matter. But state they will need to hear what the contracted assessor for the Town, Gary Roberge from Avitar has to say, and review all the appropriate figures and have a future discussion regarding their findings.

Selectman B. Lemire introduces Gary Roberge who works for Avitar and is the Contracting Assessor for Litchfield. He also does all the Utility assessments for Avitar across the State of New Hampshire (62 Communities).

Mr. Roberge mentions there is a move from Net Book. He states the Courts have never accepted Net Book as a mean of Ad Valorem Taxation, this has never happened in the 30 years he has been working in this business. He states the problem they are dealing with in a Utility is Net Book allows certain assets to depreciate to zero value. No one owns property in Town that depreciates to a zero balance, particularly if it is still in use. Gary mentions that Net Book accounts for the investment and the total assets that have not been returned through the rates. As an example, he states if he were to put in a pipeline and it costs \$100,000, and he received \$100,000 of his money back in all the rates. According to Net Book calculations that pipeline now has zero value, even though it is still there and is still generating income. Which is why Net Book has never been accepted by the courts. Mr. Roberge tells the Board it does not mean it is right or wrong it just has not been accepted. Public Utilities are regulated and this tends to control their income, but it pretty much guarantees a return, they are virtually a monopoly (there is nothing like it in the market). Gary goes on to discuss how in the Utility world the rate of return is regulated, and a profit is guaranteed because there is no competition (it's a monopoly). Which means you cannot go to the Market and use Market Income Approaches to Value, because in the market you have risk and are not guaranteed a return.

Gary tells the Board in his testimony and reports to the courts he suggested the only means of coming up with an opinion of Fair Market Value (which the law dictates he has to do) is by Replacement Cost New Less Depreciation (RCNLD). Gary states he has been doing this for 30 years and has not been able to find a reasonable way to come before this Board, Board of Land and Tax Bills or any Court and quantify by some factor the positive effect of regulation. He said it is doable to quantify the negative aspect of regulation.

He states the Board of Land and Tax Bills strongly criticized two experts from the Department of Revenue for their approaches to value. They did not say anything positive about RCNLD, they

just said this assessment was reasonable, and they did not meet their burden to prove that it should be something else. So there is still not a clear answer.

Gary tells the Board that he thinks it is nice that Mr. Goodhue and Mr. Ware came here to discuss this matter and are looking for something other than Net Book, that is reasonable. He feels in his years of experience and study a Net Book multiplier should be somewhere around 1.4 - 1.5 this is just from his research. He was hoping due to the recent court cases to have received more direction regarding this issue from the Courts, Board of Land and Tax Bills and in order to try and resolve all of this. He states in his opinion the only people losing are the taxpayers, for Electric and Water Companies it is just a pass through right to the ratepayers. There needs to be a solution, but there is not one as of yet. He keeps working to try and get legislation in place to correct this issue, so there can be a calculation used fairly across the State of New Hampshire.

Gary states that their calculation of 1.2 - 1.3 is reasonable, because there is too much of the asset placed at a zero value and this is the problem. He mentions that he knows Litchfield settled 5 years ago, it was not something he recommended. He understands that it was a financial decision that made sense for the Town, Litchfield is alone in this legal battle. He tells the Board the reason the valuation has doubled is due to the settlement bringing the original figure down pretty close to their Net Book figure, and now 5 years later it is back up to where he feels it is closer to a real Market Value Opinion. So the Town is still alone and back in the same position where the cost to fight this is extensive and excessive. Where in other areas there are 30 or more Communities who can band together and each pay a portion of legal expenses to battle the Utilities and try and find a solution. But mentions he does not think a reasonable settlement would be 1.2-1.3.

Selectmen B. Lemire asks Gary Roberge in his opinion if this were to go to court on appeal with the Board of Land and Tax Bill, how confident is he that his figures would prevail, or is he confident.

Gary states the issue is you are dealing with an entity that has not said much as of yet on this subject. Except that the other experts did not meet their burden of proof. He states he would be looking at only one approach (RCNLD). But if they were to come in with some other calculations other than Net Book, which he feels they would have to, then the outcome would probably be a little less than his calculations. So he might not totally win outright by his calculations, but they would not win solely on Net Book either, no because no one ever has. The law states and the Courts agree that an opinion of Fair Market Value has to be used, and Net Book is not.

Selectman B. Lemire asks if it is reasonable for both sides to get together and see if they can come up with a solution to this issue as they did 5 years ago. He knows Mr. Roberge represents the Town of Litchfield, but would he be comfortable presenting alternatives to try and work towards an agreement, without either side having to retain legal counsel.

Gary agrees there is always room for some type of possible settlement. And the fact that they (Pennichuck) came here tonight shows they are willing to work on a resolution. He has worked with Mr. Ware for several years trying to come up with a methodology that would be comfortable for all and the State in order to stop the legal battles from continuing. If the Board of Selectmen instruct him, he is willing to meet with Pennichuck and its Representatives to try and come to a reasonable conclusion. He is sure it will not be a number he will love or one they will love, but it

may be a solutions until the Legislature resolves this issue. Then they can report their findings back to the Board and the Board can make a decision as to what they will wish to do at that point.

Selectman J. Brunelle **motioned** for the Board of Selectmen to authorize the Town Administrator to instruct all parties involved to meet and discuss this issue to see if a resolution can be determined and report all findings back to the Board of Selectmen.

Selectman K. Bourque **seconds** the motion. **Vote carries 4-0-0.**

Public Input - None

Public Hearing

Resolution 2016-01 - Dissolution of the Litchfield Cable Advisory Committee

Selectman B. Lemire states the Litchfield Board of Selectmen will open this public hearing to discuss the dissolution of the Litchfield Cable Advisory Committee. He reads aloud the Public Hearing Notice that was posted

**PUBLIC HEARING NOTICE
LITCHFIELD BOARD OF SELECTMEN
RESOLUTION 2016-01 DISSOLUTION OF THE CABLE COMMITTEE**

The Litchfield Board of Selectmen will hold a public hearing on Monday, June 27, 2016 at 6:30 p.m. at the Town Office - Conference Room located at 2 Liberty Way, Litchfield, NH to discuss adopting Resolution 2016-01 that proposes to dissolve the Litchfield Cable Committee and create the position of "LCTV Manager". Litchfield residents may attend the hearing to provide oral and/or written comments or send comments to: Tbrown@Litchfieldnh.gov or Town of Litchfield, Troy Brown, Town Administrator, 2 Liberty Way, Litchfield, NH 03052.

Selectman J. Brunelle reads aloud the resolution

**Resolution 2016-01
Resolution Authorizing Dissolution
Of The Litchfield Cable Advisory Committee**

WHEREAS, the March 18, 1978 Annual Town Meeting authorized the Board of Selectmen to franchise and regulate a cable television system pursuant to Chapter 53-C of the New Hampshire Revised Statutes Annotated; and

WHEREAS, the Board of Selectmen created the Litchfield Cable Advisory Committee to negotiate a cable franchise agreement, rectify cable tv related complaints and oversee the Town's Public, Education and Government Cable program and activities; and

WHEREAS, the cable franchise agreement and the Town's Public, Education and Government Cable TV program has been in place for several years;

WHEREAS, the Litchfield Cable Advisory Committee has been inactive and a majority of the members agree the committee has served its purpose and recommends that it be dissolved and to hire a manager to monitor the cable franchise agreement and oversee the Town's Public, Education and Government Cable TV program; and

WHEREAS, Town's Public, Education and Government Cable program and activities are funded with cable franchise fee revenue and can be used to pay for equipment and staff.

NOW, THEREFORE, BE IT RESOLVED, that the Litchfield Cable Advisory Committee, which is not mandated by law and serves as an advisory committee to the Board of Selectmen, is hereby dissolved and the Board of Selectmen hereby rescinds all appointments to the Litchfield Cable Advisory Committee effective upon adoption of this resolution; and

BE IT FURTHER RESOLVED, that the Board of Selectmen create the position of LCTV Manager and appoint Richard Pentheny to perform the position's duties and responsibilities in accordance with the attached job description.

Mr. John Latsha, 10 McElwain Drive states he speaking in favor of this change to dissolve the Cable Advisory Committee, and the appointment of Mr. Pentheny as Manager of Litchfield Cable Television (LCTV). John believes Mr. Pentheny will do a great job as Manager, and thinks he will be in good hands under the Town Administrator Troy Brown. He mentions that Russ Blanchette, Rob Fay and others have done a great job under the direction of Dick Pentheny. He feels they are moving in the right direction, and hopes the studio on Charles Bancroft Highway will open.

Wishes everyone well and thanks them for their time.

Selectman B. Lemire closes the Public Hearing

Selectman J. Brunelle **motioned** for the Board of Selectmen to adopt Resolution 2016-01 the Dissolution of the Litchfield Cable Advisory Committee.

Selectman S. Perry **seconds** the motion. **Vote carries 4-0-0.**

PFOA Update

Town Administrator T. Brown states last week Selectman F. Byron, Town's Legal Counsel and he attended a meeting in Concord with NH-DES staff. They introduced our Legal Counsel (PertiFlaherty) to the members of NH-DES that will be working on this project. Troy felt the meeting was very productive, they were able to communicate to the State they appreciated their assistance in keeping the Town's citizens informed of the progress so far and their efforts regarding this matter. Troy mentions they expressed to NH-DES and made them aware that Town/Counsel feels the project was entering into a new phase, where there will be discussion between St. Gobain and NH-DES regarding remediation action, consent agreements and the

possibility of settlements. As well as the involvement by all with Pennichuck to design this water extension service in Litchfield. They made it clear that Litchfield would like to be involved as much as possible.

T. Brown states they were invited the next day to go back to Concord, this time also with the Road Agent. To meet with representatives from St. Gobain, NH Transportation Department and NH-DES. This meeting was to identify and discuss future roadblocks that might come up with this project if it is approved by St. Gobain and moves forward. He reminds everyone that as of right now Pennichuck is just designing and presenting the estimated cost for this water line project, it has not been approved. Troy states that everyone in the room is working together and agrees this water line extension would be the best way to handle the situation and feel St. Gobain will endorse the project. He tells the Board everyone knows the construction aspect of the project will be very aggressive, and anticipate the possibility of it starting in late August. Troy states they expressed the need to have copies of any preliminary construction drawings or plans as soon as possible. He informed them that Litchfield has never had a project of this undertaking, usually everything goes through our Planning Board, money is escrowed, studies are done. So this information is needed for the Towns Contractors/Engineers to review and study what is to be done in the Town.

He states that he just received draft plans (1 set) for the water line extension project, and will be delivering them to Mr. Caron (Town Engineer) tomorrow. He mentions that if this all continues to move forward they are looking to put this project out to bid by mid July.

T. Brown states that the Town expressed concern about adding 300-350 new users onto the current water system, and what the impact may be to the Town water tables (especially at Darrah Pond). He was told the State is very aware of the situation and is working closely with Pennichuck to make sure the supply is enough. They are discussing putting limits on how much water could be draw on a daily basis.

Selectman J. Brunelle states that Chairman F. Byron wanted him to get in touch with the surrounding Communities regarding this PFOA issue. He has and they wished to hold off on any meetings for right now, they are talking with St. Gobain NH-DES and Pennichuck also and would like to meet when they have more information regarding the project.

Non-Union Wage Plan Implementation - Year 2

Town Administrator T. Brown tells the Board this is the second year of the Wage Plan implementation, which is not based on merit. They are working to get certain positions on the pay scale which was adopted last year. Due to limited funding with the Default Budget this year, he has worked as best he could to get employees within the rates they should be, but states that it will definitely take another year to do so. The total estimated implementation cost is \$23,652.26 (this includes longevity, and all payroll taxes) and is effective July 1, 2016.

Selectman J. Brunelle states that the plan is about 2 years behind due to funding.

Selectman J. Brunelle **motioned** for the Board of Selectmen to approve and adopt the plan as documented and discussed at a previous meeting.

Selectman S. Perry **seconds** the motion. **Vote carries 4-0-0.**

Approval of “Accounts Receivable Write-Off Policy”

Town Administrator T. Brown states this policy was introduced at the last Board meeting, and everyone wished to have legal and the auditors review the policy. Auditors had no issues with the policy, however, Legal Counsel recommended the interest rate be changed for outstanding bills from 18% to 10%, otherwise there were no issues.

Selectman S. Perry asks their reason for requesting this change

Troy tells the Board they did not state any law as to why, they just expressed the 18% seemed to aggressive. Board discusses this issue.

Selectman B. Lemire states he trusts our Counsel, and if she is not comfortable defending that rate he has no problem with the change.

Troy mentions the books show around \$57,000 in outstanding debt, and the Town would be lucky to receive 3-5% of this amount. He states you have 1 year for medical to be billed (7 yrs. after billed) before being classified uncollectable and ours has been on our books for a few years now. After this policy is approved he will come to the Board with the figures that will be written off.

Selectman S. Perry **motioned** for the Board of Selectmen to approve and adopt the Accounts Receivable Write-Off Policy as written and changed by Town Counsel.

Selectman J. Brunelle **seconds** the motion. **Vote carries 4-0-0.**

NHMA Floor Proposals

Selectman B. Lemire states he serves on the New Hampshire Municipal Association (NHMA) Board. He mentions that NHMA advocates on behalf of Towns. So on the Town's and Taxpayer behalf they submit policies to its members that they will be bringing to the Legislature to assist the Towns and how they operate. He reads a memorandum sent to all its members, which he received. "The NHMA legislative policy process is moving forward. Enclosed with this memo is a copy of the policy recommendation made by NHMA's three policy committees. This document will also be posted on the NHMA's website www.nhmunicipal.org.

The policy recommendations are listed by committee: (1) General Administration and Governance; (2) Finance and Revenue; and (3) Infrastructure, Development, and Land Use. Each committee's recommendations are listed in order of priority, as "action", "priority", or "standing" policy recommendations. Also enclosed is a list of NHMA's Legislative Principles, which will be considered for re-adoption at the Legislative Policy Conference, along with the recommended policies.

We urge each municipality's governing body, prior to the Legislative Policy Conference, to vote a position on the recommendations and floor proposals to provide direction to your voting delegate at the Conference."

B. Lemire states that the Conference will be on September 23, 2016. He is asked to provide input by August 12, 2016. So he would like the Board members to read over the documents and provide him or Troy with any input they may have by this deadline.

Water Service Connection to Town Property

T. Brown mentions that Pennichuck sent an email with a few questions needing answers. He has shared this email with the Board. They mention there are 14 properties owned by the Town

of Litchfield and are questioning if they will require water service. Board discusses and decide Brook Road (baseball field), 4 addresses on Jeff Lane (baseball/field area and playground) should have water service supplied. The rest appear to be wetlands or vacant lot areas. Troy mentions the other item of concern is that some homeowners are not responding to Pennichuck and their request to access their property in order to see how they can provide water service, or some that outright do not want water service to their property. Board agrees to have Pennichuck install a stub that can be capped off in the right of way, and if at a later date or a property is sold to another owner, access to the water service is there. Selectman S. Perry **motioned** the Board of Selectmen to require Pennichuck to install a water stub to the main line on all properties that are affected in the area. Selectman J. Brunelle **seconds** the motion. **Vote carries 4-0-0.**

Selectman B. Lemire states that the Board of Selectmen received a letter addressed to the BOS and other Boards asking for the letter to be read. However, the letter is not signed it is anonymous and he will not read it. He believes on behalf of all the people who come before the Boards or send in correspondence and sign or state their names he will not read this letter without a signature, and the Board agrees.

Administrator Report

Troy states he sent an email, but would like to remind everyone the National Regional Planning Commission (NRPC) will be holding three workshops. The one most convenient for Litchfield is Thursday, June 30, 2016 from 6-8pm at the Hudson Town Office. He will be attending.

T. Brown also mentions that Captain Donnelly is retiring. He has an employment contract and in that contract the Town has agreed to match his 457 account up to \$1,000. He has requested that additional (or second match) of \$1,000. His reason is in his contract there is a provision stating his wages are to be 8% more than anyone in the Union. Also that if he retires and starts working for the Town as a PT Officer he will still be eligible for the 457 match and because he would be considered a new hire to the Union he would be eligible up to \$2,000. So Troy mentions he is willing to forgo the \$2,000 as a new hire if the Board agrees to give him the second 457 match of \$1,000. Board states that he cannot negotiate outside his contract, so if he is eligible for the second 457 match and the Town has the funds he will receive it according to his current contract (it can't be renegotiated). Once he retires and becomes a new hire he and the Town have to abide by the new contract, it is two separate contracts and issues. The Board also discusses that his retirement buyout is approximately \$33,000.

Selectman Reports

Selectman J. Brunelle states the Recreation Commission was here this evening to discuss the Jeff Lane Project, and that was the topic at the last meeting.

Selectman S. Perry states the Planning Board meet last week and had a 36 lot subdivision plan presented for Page and Cutler, and it was approved with conditions in one meeting. He states in 10 years he has worked with the Planning Board this was the first time a plan came in so

complete and approved in one meeting. He mentions the NRPC Representative Jen has been outstanding. He states that 7 lots had already been approved so there will now be 43 new house lots, most maintaining the 150 ft. frontage.

There was also a request for a subdivision on the corner of Charles Bancroft and Corning Road.

Items moved from consent - None

Other Business - None

Selectman Kevin Bourque **motioned** for the Board of Selectmen to adjourn.

Selectman S. Perry **seconds** the motion. **Vote carries 4-0-0.**

The next Board of Selectmen's meeting will be on July 11, 2016 at 6:00pm at Town Hall

Frank A. Byron, Chairman

Brent T. Lemire, Vice Chairman

John R. Brunelle

Steven D. Perry

Kevin C. Bourque