

TOWN OF LITCHFIELD BOARD OF SELECTMEN
July 25, 2016

Selectmen's Meeting

Members Present: Frank A. Byron, Chairman
Brent T. Lemire, Vice Chairman
John R. Brunelle
Steven D. Perry - Arrived Late
Kevin C. Bourque

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 the Meeting Minutes from July 11, 2016
2. Approval of Non-Public Meeting Minutes from July 11, 2016
3. Approval of Account Payable Manifest 7/19/2016 (\$80,948.62) & 7/26/2016 (\$21,663.73)
4. Approval of Payroll Manifest 7/21/2016 (\$49,319.17) & 7/28/2016 (\$53,735.84)
5. Warren's Auto Body Junk Yard License Renewal
6. Intent to Cut (1)
7. Tax Collector Reconciliation - June
8. Town Clerk Reconciliation - June

Approval of Consent Items

Selectman F. Byron reads aloud the Items for Consent

Selectman B. Lemire **motioned** for the Board of Selectmen to approve the Items for Consent

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

Request for Additional Items/Other Business - None

Selectman S. Perry - arrives

Business

Andrew Collins (Recreation Commission) Impact Fees Approval for Jeff Lane Park

Andrew Collins from the Recreation Commission and Kurt Schaefer President of Litchfield Baseball are here to get approval for the use of Impact Fees from the Board of Selectmen to use for the construction of the Jeff Lane Park Project.

Andrew states since his last meeting with the BOS they have put together the needed prices/quotes, and have come away with firm figures which they have shared with the Board. He mentions the Recreation Commission gave approval for the project to move forward and to

request the use of Impact Fees up to the amount of \$108,000 from the Board. Mr. Collins states currently the fund does not have this for a balance, but they would like to be able to fund Phase I & II now and come back in the Spring to ask for more for Phase III if available. They are hoping not to have to ask for additional funds for Phase III, they are hoping to fund this phase of the project from fundraisers. Planning Board had two recommendations the use of gravel/road pack for the parking area to make it a usable parking surface, and incorporate plantings along the North end of the parking area to create a buffer for the neighbors. Also they met with abutters and received feedback and a request for additional trees as a buffer. Andrew states all this has been incorporated into the design plans and budget of the project.

Andrew Collins and Kurt Schaefer ask if the Board has any questions for them.

Selectman J. Brunelle states at the Planning Board meeting it was announced it would be a public meeting for any abutters/public to address any concerns they may have regarding the project. They state they did this at the last meeting.

Selectman F. Byron asks Town Administrator T. Brown what the balance is in the Impact Fee account. Troy states \$89,684. Board states \$500 has to be set aside in reserve for the closing out of the SawMill project, which would leave a balance of \$89,184.

Selectman F. Byron states when the SawMill project came before the Board he made a motion, which was approved to use and retain Impact Fee funds for the project. He would like to know if the Board has taken any action to rescind this motion in order to close out the use of these funds for the SawMill project.

Selectman J. Brunelle states the Recreation Commission closed out their side of the SawMill project, requesting \$500 be set aside. Now the Board of Selectmen need to vote on a motion to close the project and retain \$500 of the Impact Fees.

Andrew Collins states they are requesting a total of \$108,000 for all phases (3) of the project. The first \$95,726 would be for Phase I & II. Through baseball fundraising they have raised \$8,000 for the project. So they are requesting \$87,726 now and will come back and ask for the remaining needed funds at a future date. Mr. Collins states they are hoping to do as much fundraising as possible to offset the amount needed for Phase 3, they hope to raise the necessary amount themselves.

Selectman F. Byron states they need to retain \$500 from the Impact account for SawMill, which would leave a balance of \$89,184.

Selectman F. Byron **motioned** for the Board of Selectmen to cease the prior approval of the SawMill Brook Impact Fee usage, with the exception of \$500 to be retained in the account to complete committed work. Also appropriate a total sum of \$108,000 in current and future Impact Fees, of which the already existing amount of \$89,184 be used for Phase I & II of the Jeff Lane Park Project. The difference up to the \$108,000 will be used from any future Impact Fees collected.

Selectman J. Brunelle **seconds** the motion.

Selectman S. Perry states he thought the Board had been trying to refrain from committing future money. He mentions there are enough funds in the Impact Fee account to cover the amount the Recreation Commission is asking for in order to complete the first 2 phases of the project. So he would like to only appropriated the needed money and have the Recreation

Troy next discusses calculations based on the activity year to date of the cruiser allocation at \$15/hr. placed in the General Fund as of June 30, 2016, to the cruiser allocation at the \$4.03/hr. calculation rate for the same date. Both calculations are based on the following detail hours

1,395.75 (billable hrs.)
96.50 (non-billable hrs)
914.25 (cruiser hrs)

After deducting all the Officer related expenses (Wages, FICA, Workers Compensation etc.). At the current \$15/hr there is a negative balance of -\$1,469.65 and if the \$4.03/hr rate went into the General Fund there would be a positive balance of \$8,559.67. Troy tells the Board he learned the Town on an annual basis should have the Insurance Provider recalculate the workers compensation and unemployment percentages. He states that if the Board agrees with his calculation based on the \$4.03/hr rate for the cruisers instead of the \$15/hr rate, this would remove the negative balance and bring the Detail Fund into a positive balance.

Town Administrator T. Brown tells the Board about comparisons he did calculating historical changes from 2010 to 2017. He states in 2012 there was a healthy fund balance of (\$35,461.37) falling each year to a low balance of (\$3,214.08) in 2015, the main reason for this change is the NH Retirement rate it has doubled since 2010 from 13.66% to 26.38%. Troy mentions that it will be increasing to 29.43% next year in 2017. He states that a Revolving Funds purpose is not to make money, it is suppose to be an in and out account for funds. It is nice to have a small buffer if you are in between collecting Revenues, but it is to just cover the cost of the program. However, the fund is now decreasing too much and will not be covering its expenses and will not be able to support itself. So the way funds are administered needs to change in order to correct this issue.

Troy also shared with the Board a spreadsheet verifying how Litchfield's rates compare to 15 other Communities, he averaged the survey and compared Litchfield. Showing our rates are right in align with other Communities. He mentions the Police Chief and Officers have stated if they raise the Town rate they would price themselves out of receiving any detail work. Troy states the biggest challenge was calculating the Administrator Fee, all the Communities based their information differently, some did not charge a fee.

(Results are below)

Litchfield - Town Rate \$64.00 Officer Rate \$44.90 Cruiser Rate \$15.00 Admin. Fee \$2.25
Average - Town Rate \$57.41 Officer Rate \$43.24 Cruiser Rate \$13.88 Admin. Fee \$4.97

Next spreadsheet Troy discussed with the Board was the annual cost of running a Special Detail Cruiser based on 1600/hrs (billable) at the \$4.03/hr rate. His calculations were based on 2 vehicles with a 2 year life cycle and he took into account the acquisition of the vehicle, depreciation, fuel and maintenance etc. Based on those calculations after expenses are deducted at the \$4.03/hr rate it would generate a positive balance of \$6,441.60.

T. Brown next shared his calculations on the Town's financial obligation if an Officer works only the minimum hours required in order to earn his/her first \$1,000 457 match. Troy states there are no Officers that do this, but it could be a possibility.

Officer Rate \$44.90 - Hrs. Worked 22.27 - Match(457) \$1,000 - 457 Hourly Cost \$22.27

Once Officer has meet his requirement the Town is obligated to match that \$1,000 to the 457 Account. That 457 match of \$1,000 once the Town calculates the payroll taxes (workers compensation, medicare, FICA, unemployment etc.) it costs the Town \$1,297.00, he divided this figure by the Officers hours worked 22.27 for a figure of \$58.24 which should be the hourly rate the Town is collecting in order to cover its minimum liability (just to cover the 457 match).

Troy discussed a 457 Group Rate Calculation which included figures from all the Officers based on their rate of pay and required detail hours worked in order to meet the first and second \$1,000 457 matches, what is the total cost to the Town. Which once all the necessary payroll deductions are calculated shows the cost to the Town is \$30,320.80.

Next was a spreadsheet showing the Board calculations based on the current Detail Rate of \$44.90 and based on an Officer hired prior to 7/1/2011 (required to pay into NHRS) has to pay \$3.52 towards the 457 match. Officer hired after 7/1/2011 (not required to pay into NHRS) has to pay \$15.36 towards the 457 match, and a Retired Officer (working 32 hrs or less do not pay into NHRS) has to pay \$12.58 towards the 457 match.

Town Administrator T. Brown next discussed how he calculated the Administration Fee he used. Its was based on 35 weeks a year (105 hours a year), Police Department Administrative Individual working 1.5 hours a week, and Town Hall Administrative Individual working 1.5 hours a week for (2080 hours per year) at 5%.

Troy mentioned 7 officers are eligible to collect the second \$1,000 match as of June 27, 2016. He states the Town has not granted this because it does not currently have the funds to pay for the second 457 match to these officers. He states he has been contacted and met last week with the police union representative, because the officers have concerns with the possibility of not receiving this second match from the Town. He told him the Board of Selectmen are working on the management of the fund, and told him the Town does not currently have the funds available for the officers to be paid. He discussed his priority is to make sure the first \$1,000 457 match was paid to all the officers who qualified.

Troy tells the Board that after all his calculations were completed he came up with three options. They were 1. Do nothing keep all amounts as they currently are and the Fund for the first \$1,000 457 match would have a negative balance of -\$7,658.15. With the second \$1,000 457 match it would run a negative balance of -\$21,521.55 (at the end of this current year).

2. Increase the Detail Rate to \$71.00/hr which would change the Fund for the first \$1,000 457 match to have a positive balance of \$9,841.85. With the second \$1,000 457 match it would have a negative balance of -\$4,021.55.

3. Keep the Cruiser rate at \$15.00/hr but change to the \$4.03 the Town will capture, which pays for the cruiser detail. Then have the balance going into the Special Detail Fund to offset this Fund (instead of all going into the General Fund). By doing this it would change the Fund for the first \$1,000 457 match to a positive balance of \$9,893.85. With the second \$1,000 457 match it would have a negative balance of -\$3,969.55.

This is T. Brown's recommendation to the Board. He would also like to manage the Special Detail Fund better, any expenses such as gas, repairs, when switching from a frontline vehicle to a special detail vehicle that value is captured and the fund pays for it. He would like all expenses charged to the Fund so it is transparent to everyone where the money is and where is

has been spent. All the other Town Revolving Funds are set up this way, and the Special Detail Revolving Fund should be also run as its own business.

Selectman J. Brunelle agrees with Troy's \$4.03 calculation. But questions the acquisition, depreciation and change over of the Special Detail Cruiser costs, he believes the expenses have already been paid for, and the vehicle has already depreciated. Board and Troy discuss this issue they feel the vehicles are Town assets (purchased for the policing of the Town by the taxpayers) and have a value after the two years when they are up to change over from a frontline to a special detail vehicle and that cost should be captured. Because that vehicle could be traded in (it has value) it could be used to offset the expense of a new cruiser. But the Special Detail Fund wishes to have that vehicle (which is a Town asset) and use it for a different purpose then the taxpayer purchased it for (as a Police Department asset) and they will be insuring and maintaining the vehicle, and be paid for its use,(which does not benefit taxpayer), so it should be purchased from the taxpayer because it was a Town asset, and is becoming a Police Department asset.

Selectman B. Lemire agrees and states that other Towns have "Enterprise Funds" which are run exactly as Troy has mentioned. All expenses and revenues are charged to that fund, it is totally separate from the Municipal Budget.

Selectman J. Brunelle discusses Troy's calculations of the Administrative Fee, he feels there is no extra work involved for anyone regarding the Special Detail Fund. He believes all of the \$15.00/hr cruiser rate charged should go towards the second 457 match.

Troy states the Police Dispatcher and Sargarents prepare work schedules, they hand work off to the Administrator Assistant to handle payroll, invoicing etc. Then money collected is handed over to the Town side starting with Donna, then given to the Town Clerk, Treasurer and eventually taken to the bank. So as minimal as it may be, it is still someone being paid to handle work for the Special Detail Fund to operate which is not directly for the Town (it is a separate business account). Board continues to discuss this issue.

Selectman S. Perry agrees with the change to the \$15.00/hr Cruiser Fee to the \$4.03 calculation, and feels just doing this will fund most of the struggles for this year and almost fund both of the 457 matches. This will put the fund in a positive situation (it may use up the entire fund), but as Troy stated a Revolving Fund is not in business to make money it is to revolve its funds.

Selectman F. Byron states he also would like to make the Board aware of what they will be saying to the Police Union, which is the Town will be allowing them to collect money from the use of a Town asset in order to offset their hourly costs. He believes the Board has to do this for the short term and correct the funding issue this year. But believes the next thing the Board will probably hear is they should be offsetting the costs for Administration, that those fees should not be taken out either. He would also like to state this will only work this year, due to the NHRS increase of (29.43%) taking effect next year (2017). He feels using some of the cruiser funds will work and needs to be done for now, but this will not be a long term option the Town could sustain.

Selectmen S. Perry recommends along with the Administrative Fee change (\$4.30), add an additional \$1.50 to the Officer rate. This would compensate for the increase to the NHRS next year. Board and Troy discuss this issue. Troy states a public hearing would have to be held in

order to change the Officer rate. But this is what the Police Department and the Officers did not want, they felt and increase to the rates would price them out of receiving any Special Detail jobs in the surrounding Communities.

Selectman S. Perry mentions if the Town is losing money then something has to be done. The Police Department wanted the second 457 match and if that means in order to do that the rate has to be increased then so be it.

Board discusses that the second 457 match is offered if and only if the Town has the funds in the Budget to do so, it is not mandatory.

Selectman F. Byron states BOS had a meeting set up with the Union and Police Department to discuss this exact matter. However, he notified Troy to cancel the meeting because he wanted all this information to be discussed and put together by the Board and presented to the Union and Police Department, so everything is made clear to all parties and everyone is on the same page.

Board agrees.

Board discusses based on Troy's calculations, that from the \$15.00/hr cruiser rate, \$4.03 will be retained by the Town and the remaining \$10.97 would be transferred from January 1, 2016 to the Special Detail Revolving Fund. Also all expenses would be calculated and billed to this fund. These transfers would have to be clearly shown between the Town and Special Detail Fund for accounting purposes.

Board continues to discuss ways of funding the second \$1,000 457 match, either fully or a possible portion.

Selectman F. Byron states all this has to be discussed with the Union and Chief O'Brien and an agreement reached or a possible sidebar agreement on this second \$1,000 457 match issue (which is allowed by the Union Contract).

Selectman B. Lemire agrees the Town cannot pay for something with something they do not have. He states it is a priority to pay this second 457 match, but the contracted agreement was no Town funds be expended if the money was not available for this second \$1,000 457 match. He feels no changes should be made this evening until the Board meets with all the parties involved.

Troy states the Board can wait and meet with the Union and Police Chief to discuss this course of action. But he states the Board of Selectmen has nothing to do with the Union, but they do manage this fund and can make changes. He feels the Board can take action to implement these changes to help offset this fund. Then meet and explain why they made the changes in order to help make the fund solvent and possibly pay out the second \$1,000 457 match because it is a priority.

Board discusses some of the issues the Union and Police Department feel are being handled improperly by the Town, such as illegally taking the cruiser funds (this is not the case it was voted on in a Warrant Article by the citizens).

Town Administrator T. Brown reads the following adoption for the record

I move to adopt the following administrative procedures retroactive to January 1, 2016

1. Town's Special Detail Rate for an Officer shall remain at \$64.00 per hour
2. Town's Special Detail Rate for a cruiser shall remain at \$15.00 per hour.
3. Town's Special Detail Rate Administrative fee shall remain 5% of the Officer's

- hourly rate.
4. Miscellaneous expenses such as safety vests, uniforms and equipment shall be charged from the Special Detail Fund
 5. New Hampshire Retirement, Social Security, Medicare, Worker's Compensation and Unemployment shall be charged at current tax or premium rates
 6. Actual cost for cruiser acquisition, fuel, maintenance, repair and insurance shall be charged from the Special Detail Revolving Fund.
 7. Revenues from the sale of Special Detail cruisers shall remain in the Special Detail Revolving Fund.
 8. All cruiser fee revenues collected since January 1, 2016 shall be returned from the General Fund to the Special Detail Fund.

Selectman F. Byron tells the Board this consolidates all of the Town's accounting into the Special Detail Revolving Fund, which is the purpose of this.

Troy mentions this will be a direct billing to the Fund. Because the full \$15.00/hr cruiser cost has been deposited into the General Fund since January 1. The Finance Director (Karen) will go back and calculate the actual cruiser costs and bill this to the Special Detail Revolving Fund. This way any time the Union or Accountants would like to see the activity of the Fund it will clearly show all revenue coming in and all the expenses being paid out.

Selectman J. Brunelle **motioned** the Board of Selectmen to adopt the Administrative Procedures retroactive to January 1, 2016 as read by Town Administrator T. Brown and reviewed by the Board.

Selectman S. Perry **seconds** the motion.

Selectman F. Byron would like to remind the Board that this will only work for today/now. Something will have to change moving forward. **Vote carries 5-0-0.**

Public Input - None

Draft Earned Time Buyback Agreement for Chief O'Brien

Selectman S. Perry states the Board of Selectmen should table this conversation until all the information and documents are complete. Board agrees and decides to table the discussion until the next meeting.

Draft Organizational Chart

As discussed at the last Board meeting Selectman B. Lemire has put together a draft Organizational Chart and has shared it with the Board of Selectmen. It shows the voters at the top of the chart with the BOS directly underneath them (elected positions), and a few positions off to the side under the voters that are still elected positions as well. Then the Town Administrator off to the side of the Board of Selectmen. To the left of the BOS are positions appointed by the Board, and directly under are all the other Town Departments overseen by the Board of Selectmen.

Selectman B. Lemire does not show any Departments under the Town Administrator, because he feels it is at the discretion of the Board to authorization/appoint any duties or allow the TA to oversee any Departments. He states the Board does allow Troy to oversee all the

Departments/Department Heads and to handle most matters, but direct the Department Heads or any issue that may arise to the Board of Selectmen.
Board and Troy discuss some changes to the chart.

Treasurer and Deputy Treasurer are no longer elected positions, the Treasurer is now appointed by the Board of Selectmen and the Treasurer appoints the Deputy Treasurer. Troy also mentions that he is the Welfare Director so that needs to show beneath him on the chart. Selectman F. Byron would like to know if there is an issue with a Department who will address it the Town Administrator or the Board.

Selectman B. Lemire states it is the BOS, unless they direct the TA to do so (otherwise it would be a Town Manager position). It would be by policy the Board can allow/authorize the TA to oversee any Departments and have the Department Heads report to the TA.

Selectman F. Byron states this is not what the chart reflects, it appears the TA has no one that he oversees or who report to him. Board continues to discuss different views of a Town Administrator and Town Manager.

Selectman B. Lemire states again this is at the Board's discretion and run by policy.

Troy is fine with how Brent has presented this chart and understands the authority is in the policies the Board sets for him and others, as well as in the individual job descriptions it states who reports to who.

Selectman S. Perry would like to see the Chart show the Town Administrator directly under the Board of Selectmen and all Departments under him. Litchfield runs the Town as if the Town Administrator is a Town Manager. He states the Chart is correct, but this is not how we use our Town Administrator.

Selectman F. Byron agrees and discusses the Chart reflecting this with a dotted line showing the Departments to the TA under the BOS (as shared responsibilities). He feels there have been some issues with Departments as to who reports to who and he would just like this stated clearly in the Town's policies, job descriptions and in this chart.

Board discusses the Planning Board Assistant position needs to be put in place. Also the Road Agent should be under the Highway Department. Board agrees with the changes.

Selectman B. Lemire and Troy will make changes to the Chart and have it ready for the Board to vote on at the next meeting.

Street Name Acceptance - Greylock Circle

Selectman F. Byron states the Board should of reviewed a map that was shared with them showing the open space development and the proposed name to be accepted.

T. Brown states the Fire Chief has reviewed and approved the acceptance of the street name Greylock Circle.

Selectman B. Lemire **motioned** for the Board of Selectmen to approve and accept the street name Greylock Circle.

Selectmen S. Perry **seconds** the motion. **Vote carries 5-0-0**

7.48pm Selectman J. Brunelle leaves the meeting

NHMA Legislative Policy Recommendations

Selectman B. Lemire is a Board of Director for the NHMA so he wanted to remind the Board the NHMA will be having a Legislative Policy Conference on Friday, September 23, 2016 at (:00am at the NHMA Office in Concord. He wanted to know if the Board had any issues or proposals they would like to submit, because the deadline for submitting floor proposals is Friday, August 12, 2016.

7:51pm Selectman J. Brunelle returns to the meeting

Selectman F. Byron asks if B. Lemire could explain "Building Plans under RSA-91A, to see if the NHMA will support an amendment to RSA 91-A:5,IV to specifically add building plans/construction drawings contained within a building permit file and /or building plans/construction drawings submitted as part of a building permit application as an exempt record under the statute."

Selectman B. Lemire states if he had a prior request he could have gotten Mr. Byron information on this issue. He states his understanding was that competitors were getting ahold of these plans and preempting plans, it was a competition problem. People were using building plans for dishonest purposes to benefit themselves.

Selectman B. Lemire will bring in information to share on any specific questions the Board may have. Board decides to leave this on the agenda for the next meeting.

Troy also mentions the Board can have someone represent the Town at the September 23 Conference.

PFOS Update

T. Brown mentions he had a meeting last week with Pennichuck and Lou Caron, they were reviewing the final details of the construction plans for the water extension line. They were able to resolve all the outstanding issues. Troy states Pennichuck was hoping to wrap up all the construction costs and estimates by the end of this week.

Selectman F. Byron states he thought that was suppose to be completed by July 15th.

Troy mentions that was the goal but did not happen.

Once the construction plans/estimates are submitted to St. Gobain it will be up to them to review and decide if the project moves forward.

Troy states the Town wrote a letter St. Gobain requesting a meeting to discuss several items, he did receive an email stating they received the letter but not date for a meeting. Board asks Troy to follow up with an email to see if they can schedule a date for this meeting.

T. Brown also mentions there is a meeting on Wednesday, August 3, 2016 with NHDES. It is a Public Hearing and other Communities are invited to attend.

Administrator Report

Troy would like to thank the Police Department, Fire Department and the Highway Departments all for their help during and after with all the clean up from the storm that came through Town.

Troy also mentions Police Chief O'Brien contacted him. he has not started the recruiting process for a new Captain for the Department; but would like to know if the Board is expecting to have a contract like they had with the previous Captain. And if there is a salary range agreed upon, because in the Town Personnel Policy there is currently no salary range for a Captain.

Selectman J. Brunelle states there is not a Captain, but a "second in charge" that can be

changed to a Captain and make sure the salary range fits. Also it is stated in the Police contract an 8% split or difference is to be held between a Captain (second in charge) and a Sergeant. Troy would also like to know if the Board would like him and the Chief to do a comparison of salaries for this position first.

Selectman F. Byron states a comparable analysis for the salary is fine. He would also like to be sure the Chief understands the contract is between the Board of Selectmen and the individual and not the Chief and the individual. He understands the Chief needing the information and it makes perfect sense. Board agrees.

Selectman Reports

Selectman B. Lemire states he realized Troy and some Board members were away on vacations, so on Tuesday he touched base with the Department Heads to see if they needed any assistance.

He also attended the PFOA update meeting which was held Tuesday evening at Campbell High School. He felt all did very good presentations with information and updates, and it was well attended.

Selectman S. Perry states he attended a Planning Board meeting Tuesday and he presented the information to the Planning Board regarding the Wastewater update the Board requested. He made them aware it needed to be incorporated in any future developments.

Selectman J. Brunelle states he attended the Recreation Commission meeting, but they just spoke and updated the Board about what was discussed at the meeting.

Items moved from consent - None

Other Business - None

Selectman B. Lemire **motioned** for the Board of Selectmen to adjourn.

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

The next Board of Selectmen's meeting will be on August 8, 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