

BOARD OF SELECTMEN
Minutes of October 26, 2009

MEMBERS PRESENT: Vice Chairman Bruce Breton called the meeting to order at 7:05 PM. Selectmen Ross McLeod, Charles McMahan, and Roger Hohenberger were present, as was Town Administrator David Sullivan. Chairman Galen Stearns was delayed and arrived at 8:15 PM. Mr. Breton opened with Pledge of Allegiance, then read the agenda into the record.

OLD/NEW BUSINESS: Tax Assessor Rex Norman advised that the State of NH Department of Transportation was offering communities the opportunity to take advantage of their 2010 flyover to update their aerial photographic data, at a 1' resolution, at no charge. Mr. Norman noted an option was also available to purchase up to a 6" resolution, which affords a substantial increase in the number of photographs available and the quality thereof. Mr. Norman explained that the cost for the buy-up would be allocated over the participating communities based upon their size, and that Windham's estimated cost would be \$8,000. He noted, however, that the more communities that participate, the lower that cost will be.

Mr. Norman went on to note that the cost to contract out updating of our data several years ago was approximately \$35,000; that the State's flyover would be completed in the spring; and that it would detail significant changes in the Town such as the by-pass, Londonbridge Road, and the High School. He asked that the Board consider buying in at the 6" option out of current unexpended funding in either his or the Planning Department budget. Mr. Norman noted that, while he recognized the economic times, he felt this was a great opportunity in light of the impending updates to the GIS data and the Town's upcoming revaluation. He noted that the buy-in is also supported by the Planning, Fire and Police departments, as well as the Planning Board, Conservation Commission and ZBA.

Mr. McLeod indicated his full support of the proposal, citing it was an opportunity to invest in the future for short money. Mr. Hohenberger inquired whether updating of the town's data had made the cut as part of the global budgeting process. Mr. Sullivan replied in the affirmative, noting it had been one of five priority items. Mr. Hohenberger then inquired what other communities were participating, and Mr. Norman indicated Hudson, Derry and Pelham had attended the meeting with the state, however, he could not confirm as yet who was participating. Mr. Norman noted that, if the Board did not approve the request, the 1' data would still be available at no charge, however, he reiterated the significant difference in quality.

After further, brief discussion, Mr. McLeod moved and Mr. McMahan seconded to approve the expense of up to \$8,000 towards the Town's participation in the DOT flyover at 6" resolution. Passed 4-0.

PUBLIC HEARING/CREDIT CARDS: Finance Director Dana Call read the public hearing notice into the record. She then presented a brief timeline of events leading up to this meeting, and the methods of acceptance available as previously discussed. She then noted that five vendors had submitted pricing information to facilitate credit card services, and that staff recommended the Board award the contract to TD Bank. Mrs. Call advised that TD Bank offers local representation in Windham and has an established merchant banking division. She noted that, initially, only Visa, Mastercard, and Discover would be accepted.

After a brief discussion, Mr. McMahan moved and Mr. McLeod seconded to authorize Administration to proceed with establishing merchant accounts as needed with TD Bank to facilitate credit card processing via both a credit card terminal for the Recreation office (equipment to be funded with recreation revolving funds) and a payment gateway with Authorize.net for online Rec-Lacrosse payments.

Discussion ensued regarding online payments being restricted to Lacrosse and the placement of a single terminal in the Recreation Office; as well as the convenience factor to residents and absorption of the fees through the revolving fund.

Mr. Hohenberger sought clarification as to whether there would be a difference in cost between cash/credit transactions, to which Mrs. Call replied in the negative.

After further discussion relative to Lacrosse and WBSL's practices over the years in accepting cards, the motion passed 3-1, with Mr. Hohenberger opposed.

Mr. McLeod then moved and Mr. McMahan seconded to reconsider the motion to allow for public input. Passed 4-0.

Mr. Robert Coole approached to inquire who would program the terminals. Mrs. Call replied that the terminals are plug and play through an available telephone line with no programming required. She also clarified that there will be no minimum/maximum allowed restrictions on the cards.

Mr. McMahan then moved and Mr. McLeod seconded to authorize Administration to proceed with establishing merchant accounts as needed with TD Bank to facilitate credit card processing via both a credit card terminal for the Recreation office (equipment to be funded with recreation revolving funds) and a payment gateway with Authorize.net for online Rec-Lacrosse payments.

Discussion ensued regarding Mr. Hohenberger's opposition to the motion, which he indicated was due to the subsidization of the program by those not using credit cards.

Motion passed 3-1, with Mr. Hohenberger opposed.

HIGHWAY AGENT/TRUCK PURCHASE: Mr. Jack McCartney approached and advised the Board that he had found no suitable vehicles at the State auction. He indicated he had since spoken with four local dealers regarding the purchase of new vehicles, and that quotes had ranged between \$107K and \$119K. After a brief discussion, the Board requested that Mr. McCartney develop a detailed analysis of the vehicles in question, lease versus purchase costs, and the current Highway equipment for discussion next week.

Further discussion then ensued regarding the front-line nature of the Highway Department vehicles, and Mrs. Call noted the Board would also have to consider waiving the bid process for financing should Mr. McCartney locate a vehicle.

CORRESPONDENCE: Request received from the School District to waive Planning Board and related fees relative to a construction project at Windham High School. Mr. Hohenberger moved and Mr. McLeod seconded to waive the fees as requested. Passed 4-0.

ANNOUNCEMENTS: Mr. Hohenberger noted that the CIP Committee had met the previous Thursday and finalized the draft CIP plan for submission to the Planning Board on November 4th.

Mr. Sullivan noted that the Wall Street Advisory Committee would be holding their kickoff meeting the following Thursday at 7:00 PM at the Searles Building. Mr. McLeod noted that this is a great opportunity for residents to get involved, as the front end planning for this area will have lasting impacts to the Town.

FINANCE UPDATE: Mrs. Call presented her third quarter update to the Board, highlights of which included:

Expenditures:

- Vehicle Fuel, Heating Oil & Propane – continue to have favorable budget variances based on '09 budgeted \$/gal versus actual market prices; Heating Oil (Admin, Searles, Senior) under budget because 1st lump sum installment for '09-10 season has not yet been paid
- Vehicle Equipment – Police, Fire & Highway consist of Year 2 payment of 3-year lease (additional Highway funds of \$35,000 still available for purchase/lease of additional truck)

Personnel vacancies:

- All departments – COLA budgeted at 3.75%; actual based on CPI was 3.5%, approx \$15,000 savings
- Vacancies as of 1/1/09-9/30/09 – Deputy Town Clerk (8 wks); Highway Laborer (21 wks); Planner (18 wks); Community Development Director (16 wks); Police Captain portion of salary paid by third party disability (38 wks); Police Patrol (38 wks) – salary/benefit savings from vacancies are offset by earned time buyouts upon retirement and half year impact of Police/Fire

additional retirement contributions – net savings, after these offsets, totals approximately \$120,000 through 9/30

- Salary savings from Patrol Officer out on workers' comp will be offset by Overtime costs to fill that position

Other departmental items:

- Administration Miscellaneous – large portion (\$4,080) is related to sale of land with the Hulmes' & will be reimbursed in full
- IT – GIS line item has been charged \$3,500 in October (2008 tax map updates) & 2009 updates are currently underway
- Police – Property Maint line over budget because of rental generator at \$1,900 per month; Equipment Maint line over budget because of \$5,000+ in generator repairs prior to the breakdown, as well as \$2,000+ in HVAC servicing & repairs
- Transfer Station – Overtime line over budget because of staffing needs to cover the hours the station is open; Waste Removal under budget as YTD expended through 9/30 represents 8 months' payments, still running approx \$23k/month on average
- Capital Road Improvements – Overall expended has been adjusted for expenditures to date on Londonbridge Rd (new section) which are being funded by outside sources; remainder spent on improving the "old" section of Londonbridge Rd, as well as Langdon/Weston/Flat Rock projects awarded in 2008.

Revenues:

- State Shared Revenue will not be available for 2009 due to State budget cuts – overall impact of \$69,298 in lost revenue, however, the Meals & Rooms revenues from the State came in higher than budget, up to \$573,334 from \$567,026 in 2008
- Fed/State Grant – represents mainly the reimbursement received from FEMA for the 2008 costs we incurred related to the Dec '08 ice storm (discussed in Q2 update)
- Motor Vehicle revenue continues to be down, \$96k less than collected at this time the previous two years
- Building Permit Fee revenue still continues to be down significantly from previous two years
- Town revenues from Police Contracted Services is up over the previous two years due to the change in March '09 from retaining 5% of collections, to 10%
- Cable Franchise fees will be higher than budgeted for 2009 due to Comcast changing its frequency of payment from once per year to quarterly
- Interest YTD revenue down significantly from previous two years – interest rate earned on deposits has been 0.5% in 2009 versus 1.33% as of Sep '08
- Transfer Station – revenues continue to be down significantly; primary revenue stream from SSR has been received on a delayed basis (cash received through 9/30 represents revenue Jan-July)

- Income from Other Sources is low due to timing of payments on the Fire SAFER and Depot grants

Overall – Total Town revenues, as adjusted for tax rate setting, are down only \$21,000, or 0.4%, from total budgeted revenues per the 2009 Town Warrant.

OLD/NEW BUSINESS CONTINUED: Mr. Sullivan requested the Board authorize execution of an amendment to the Town's Supplemental Retirement program relative to military personnel and leave/active duty. Mr. Stearns moved and Mr. McMahan seconded to authorize execution of the amendment accordingly. Passed unanimously.

Mr. Sullivan advised the Board that the Town's Workers' Compensation provider, Primex, was offering the Town the opportunity to save an additional 2.5% if their contract were to be extended for an additional two years to a five year contract. After a brief discussion, Mr. Hohenberger moved and Mr. McLeod seconded to execute a five year agreement with Primex as described. Passed unanimously.

Mr. Sullivan advised the Board that the Castle Hill Road bridge had passed inspection and full reimbursement had been received; however, at the time of the final inspection the adjacent pipe had been red listed by the State. As a result, the State was requiring that the bridge be posted at a 10-ton limit. Mr. Sullivan noted that the inspection was being challenged by the Town, and Pelham had been advised accordingly. Currently, staff is working with the engineers to obtain cost estimates to retro-fit the pipe, and the State is being looked to for 80% funding of the estimated \$100K project cost.

Discussion ensued regarding why the pipe had not previously been replaced, which was due to a 7 out of 8 rating just two years ago, and the availability of engineering costs by the following afternoon.

Mrs. Call reviewed with the Board the results of her investment analysis, undertaken at the Board's request. She noted that she had looked at four (4) of the special fund accounts having large balances, and completed a summary estimation of interest that could have been earned based upon 1.25% and 1% investment rates. In reviewing the analysis, Mrs. Call noted that the potential total differences for the four funds over a one year period were \$6,937 and \$4,346 in addition interest, respectively. Mrs. Call then advised that Mr. Skinner has since met with representatives from Centrix Bank to verify the interest information provided to the Town and had completed the paper to open an investment account to be utilized as funds are available at a rate of 1.0% for up to \$3M.

Discussion ensued regarding fees or the lack thereof at Citizens Bank, and Mrs. Call indicated she would speak to them further to clarify.

Mr. McLeod then moved and Mr. McMahon seconded to recommend that the Treasurer adopt the investment recommendation of the Finance Director relative to the following concentration accounts: Cable TV Trust Fund, Cemetery Operation Fund, Conservation Land Trust, and School Impact Fees.

Mr. McMahon requested that Mrs. Call be instructed to check with Enterprise Bank relative to their offering of 1.75% interest. Mrs. Call indicated she had, however, Enterprise was not a state chartered bank as it is a Massachusetts institution. However, if the funds could be fully collateralized it may be an option.

Mr. McLeod then amended his motion and Mr. McMahon his second to recommend that the Town Treasurer, as a matter of policy, seek to maximize the Town's investment opportunities in a fashion in keeping with the recommendation of the Finance Director date October 25, 2009.

Mr. Skinner approached noting that investments are the statutory duty of the Treasurer and not the Board of Selectmen. He urged that caution be exercised as the Town may have to more to collateralize the funds than would be gained in interest. Mr. Breton pointed out that such research had been completed by Mrs. Call.

After further, brief discussion, the motion passed unanimously.

Mr. Robert Coole approached inquiring about the Town Auditor's ongoing recommendation regarding maintaining of a rainy day fund. Discussion ensued regarding the need to maintain such by taxation, and that the term "fund balance" is an accounting term rather than cash on hand.

Mr. Breton requested that staff look into unclaimed funds for the Town of Windham as reported within the State's period listing. Mr. Skinner advised that he had looked into them and found that one was relative to an uncashed vendor check in the amount of \$103, and the other pertained to approximately \$1100 from a 2002 tax payment which he had given to the Tax Collector to research.

Mr. McLeod noted that the ZBA had recently granted a use variance to allow construction next to the Dunkin Donuts property, about which he had he concerns. He noted that the ZBA had essentially rezoned that portion of Town and that, although the ZBA can grant use variance, in this case the spirit of the Zoning Ordinance and the Village Center District was defeated. Mr. McLeod indicated he would like to meet with Town Counsel to discuss this further at 6:30 PM the following Monday.

After a brief discussion, it was the consensus of the Board to meet with Town Counsel as requested by Mr. McLeod.

Mr. McLeod then expressed concerns that he had been notified that Delahunty's had not coordinated the recent plantings at Griffin Park with the Recreation Coordinator or Maintenance Supervisor. Discussion ensued regarding the project and the bittersweet removal, and Mr. Sullivan indicated he would speak to staff in follow-up.

Mr. McMahon noted for the record that Mr. Barlow and Ms. Haas had been consulted and the treatment of the bittersweet is an ongoing project.

NON-PUBLIC SESSION: Mr. McLeod moved and Mr. Hohenberger seconded to enter into a non-public session in accordance with RSA 91-A:3-IIc, d, and e. Roll call vote – all members “yes. The topics of discussion were reputations, legal and land acquisition.

The Board, Mr. Sullivan, Mrs. Call, Mr. Skinner, and Ms. Devlin were in attendance in the first session to discuss matters related to internal procedures. It was the consensus of the Board that Mrs. Call proceed to implement electronic transfer with staff as supported by Mr. Skinner.

The Board, Mr. Sullivan, Rail Trail Alliance members Mark Samsel, John Mangan, Norm Babineau and Wayne Morris, and Ms. Devlin were in attendance in the second session.

After a lengthy discussion, Mr. Hohenberger moved and Mr. McMahon seconded that a letter be forwarded to the Conservation Commission advising them of the need for additional funds to complete the Rail Trail project. Passed unanimously.

The Board, Mr. Sullivan, and Ms. Devlin were in attendance in the final sessions.

Mr. Sullivan updated the Board on a union matter relative to disciplinary action. No decisions made.

Mr. Sullivan updated the Board on a legal matter. No decisions made.

Mr. Sullivan updated the Board on the possible lease of property by the Town. No decisions made.

Mr. McMahon moved and Mr. Hohenberger seconded to adjourn. Passed unanimously.

The meeting was adjourned at 10:45 PM.

Respectfully submitted,

Wendi Devlin, Administrative Assistant

Note: These minutes are in draft form and have not been submitted to the Board for approval.