

BOARD OF SELECTMEN
Minutes of January 3, 2011

MEMBERS PRESENT: Chairman Charles McMahon called the meeting to order at 7:00 PM. Selectmen Bruce Breton, Ross McLeod, Galen Stearns and Roger Hohenberger were present, as was Town Administrator David Sullivan and Assistant Town Administrator Dana Call. Mr. McMahon opened with the Pledge of Allegiance.

ANNOUNCEMENTS: Mr. McMahon extended a Happy New Year to the residents and the Board.

LIAISON: None.

MINUTES: None.

CORRESPONDENCE: Letter of resignation received from Ms. Laurie Kimball from the Historic District/Heritage Commission. Mr. Stearns moved and Mr. Hohenberger seconded to accept with regrets. Passed unanimously.

Letter received from Attorney Ruth-Ellen Post on behalf of the Canobie Lake Protective Association. In it, Atty. Post notes that the CLPA has filed a second complaint with NH DES relative to storm water runoff and sediment plumes to the Lake from the I-93 project. Staff noted that representatives of the DOT will be in attendance at the January 31st meeting to discuss Squire Armour Road, and can be asked to address this at that time.

BUDGET ITEMS/PRESENTATIONS: Mr. Sullivan indicated that the Board has received the draft warrant and budget, which will be posted on the web within the next few days, and advised there will be 25 items for discussion. He then deferred to Mr. Corey Lewandowski of the Americans for Prosperity Foundation, who had asked for the opportunity to present the AFPP's findings to the Board.

Mr. Lewandowski introduced himself as the State Director of the AFPP, and began by extending thanks to Mr. Sullivan and his team for their unfettered assistance in providing the Town's financial information for the last five years to him for review. Mr. Lewandowski noted that Windham was the first AFPP review undertaken in NH (*copy attached to these minutes*), and proceeded to highlight their various findings, including:

- Analysis was conducting on the Town's financials only, with no School District data included, and its focus was to identify areas needing improvement and offer recommendations.
- Windham has the most exemplary debt situation ever encountered in any AFPP study; with no outstanding municipal debt.
- Thirty-nine employees were identified as receiving over \$100K in total compensation. It was clarified by staff and the Board that "total" includes benefits, incentives, holiday pay, etc., nor does it differentiate between contracted overtime (which the Town is reimbursed for) from regular overtime.
- Given the overtime/benefit loading, AFPP believes that Windham should consider hiring additional employees whose overall hours cost less than the OT hours, hire part-time employees to fill those hours, or contract out positions thereby avoiding benefit costs.
- AFPP believes Town should also consider the use of Health Savings Accounts versus self-insuring through payroll deductions.

- The report noted the rapidly growing debts of the state-wide retirement systems and the unfunded liabilities these place upon the town; along with concerns that the Retirement system is being abused given the large disparity between base salaries and gross salary/benefits. AFPF feels that, on a local level, the Town should consider actively engaging in outsourcing. Items such as hiring more certified Part-time Police Officers were discussed, as was outsourcing some administrative/janitorial work and bringing Town Counsel services in-house.

Mr. McLeod expressed concerns regarding the AFPF's application of a Business Management Practices model to the data; noting that private business can target a particular service market whereas municipalities cannot. Further, he noted that outsourcing of some services, such as payroll, could place the Town at risk in the event the vendor does not perform.

Lengthy discussion then ensued regarding the outsourcing of Town Counsel services versus having an Attorney on staff; the latter of which the AFPF would advocate for in light of the 2009 expense of \$82K for legal services to multiple vendors. Mr. Lewandowski estimated that, based upon current base salaries, it would cost approximately \$100K to bring an attorney on staff. The Board questioned why the Town would do that as it represented a cost increase, and further discussion ensued.

Mr. Stearns noted that even with an Attorney on staff, the Town would still be required to go to outside vendors for certain situations. Mr. Breton also clarified that some of the Town's legal expenses are recouped from developers, etc. Mr. Sullivan clarified that the \$82K in legal expenses for 2009 represented \$70K to Town Counsel, \$10K to Union counsel(s), and \$2K to other, case specific, counsels. Discussion ensued.

Mr. Breton clarified that the town does subcontract a large portion of our Highway work, and also noted the implementation of the "Special" officers program, which is utilized for contracted services. Discussion ensued.

Mr. Sullivan thanked Mr. Lewandowski and the AFPF for their analysis. He added, however, that he disagreed with AFPF's assessment that the Town's spending has increased 20% over the last five years. Mr. Sullivan noted that, in their calculations for 2009, the AFPF had factored in a onetime cost of \$800K relative to Londonbridge Road, which was funded through other sources. He noted that, without that, the five year Town increase was 12.6%

Mr. Sullivan also noted that, when contracted services are removed from the calculations, the average benefit load is 10% less for several employees than that reported by the AFPF. Mr. Sullivan noted that he is looking forward to seeing the results of AFPF's analysis of other NH communities and how Windham compares.

Mr. Lewandowski again extended thanks to Mr. Sullivan, and to the Board for their efforts. Mr. McMahon inquired whether Mr. Lewandowski had any recommendation regarding issues at the State level which impact the Town. Mr. Lewandowski replied that residents need to contact their representatives regarding pension reform and health care costs; noting that there are things that are beyond the control of the Selectmen that impact taxpayers.

Brief discussion ensued regarding reasonable benefit models and the private sector. Mr. Lewandowski then noted that next on the AFPP's agenda is a review of the School District.

OLD/NEW BUSINESS: Mr. Sullivan advised that the Town had been contacted by Primex relative to the \$1,865 remaining from the \$6,000 grant awarded to the Town in 2010 for safety related items, and advised that these funds would be lost if not expended. Mr. Sullivan stated he had contacted Chief McPherson for suggestions, and it was recommended that six (6) single-gas Carbon Monoxide detectors be purchased for placement in each of response vehicles/first-in bags.

Brief discussion ensued, after which Mr. Stearns moved and Mr. McLeod seconded to accept funds in the amount of \$1,865 from Primex for purchase of six (6) CO detectors as described. Passed unanimously.

Mr. McMahon advised that the Town had been presented with an opportunity to purchase .699 acres of property located at 47 Cobbetts Pond. The property in question, which abuts the Town beach, includes 87.6' of water frontage, two (2) structures, and a substantially sized chambered septic system. Mr. McMahon noted that the property is currently assessed at \$540,000, however, the family has agreed to a selling price of \$400K.

Mr. McMahon went on to state that the purchase of this property would expand the Town beach and afford more area for boat launching, parking, etc., and provide for enhanced public safety/emergency access. He advised that the Conservation Commission has offered a contribution of \$100K towards this purchase, and that a \$300K warrant article, if approved, would represent \$0.15 on the tax rate.

Mr. Sullivan again advised that the updated budget detail/draft warrant will be posted on the Town website for review prior to the Public Hearing. Brief discussion ensued.

NON-PUBLIC SESSION: Mr. Hohenberger moved and Mr. McLeod seconded to enter into non-public session in accordance with RSA 91-A:3 II a. Roll call vote all "yes". The topic of discussion was personnel, and the Board, Mr. Sullivan, Chief Lewis, and Ms. Devlin were in attendance.

The Chief discussed a personnel matter with the Board. Mr. McLeod moved and Mr. Stearns seconded to support the Chief's recommendation and that he proceed accordingly. Passed unanimously.

Mr. Hohenberger moved and Mr. McLeod seconded to adjourn. Passed unanimously. The meeting was adjourned at 8:30 PM.

Respectfully submitted,
Wendi Devlin, Administrative Assistant

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