

BOARD OF SELECTMEN
Minutes of July 25, 2011

MEMBERS PRESENT: Chairman Ross McLeod called the meeting to order at 7:00 PM. Selectmen Bruce Breton, Phil Lochiatto, Kathleen DiFruscia, and Roger Hohenberger were present; as was Town Administrator David Sullivan. Mr. McLeod opened with the Pledge of Allegiance.

ANNOUNCEMENTS: Mr. Hohenberger stated he had attended the Salem Chamber of Commerce's Business After Hours event at the Searles facility, and noted it had been well attended and a good time was had by all.

LIAISON REPORTS: None.

MINUTES: None.

CORRESPONDENCE: Memo received from Recreation Coordinator Cheryl Haas requesting a waiver of the bid process for materials to repair the skate park. Mr. Sullivan explained that the request was to allow for the purchase of thirty (30) boards for the ramps from the vendor previously utilized for these materials. He added that usually only five or ten boards are purchased at a time, however, a discount was available for the purchasing thirty at one time.

Mrs. DiFruscia added that she had been in attendance at the Recreation Committee meeting when this matter was discussed and the request centered on there being only one vendor available to supply these materials. She confirmed that a reduced price was available if the boards were purchased in quantity.

Discussion ensued as to the cause of the damage, which is believed to be related to winter use of the ramps, the amount requested, and the previous use of the vendor in question. Mr. Breton then moved and Mr. Lochiatto seconded to waive the bid process as requested by the Recreation Coordinator.

Mrs. DiFruscia then clarified for the record that the requested amount is under the \$7,500 requirement per the purchasing policy, and that the funds are available in the budget. Mr. Hohenberger then expressed concerns that there must be other vendors available for bidding purposes, and Mrs. DiFruscia replied in the affirmative. She clarified, however, that all of the area skate parks utilize this same vendor and therefore he is able to offer lower costs as he makes bulk trips to deliver the materials.

Motion then passed 4-1, with Mr. Hohenberger opposed.

Memorandum received regarding Community Development Director Laura Scott's recently awarded designation as "Roads Scholar".

DONATIONS/BAH EVENT: Ms. Scott advised that 125 had attended last week's Business After Hours event, including Mr. Breton and Mr. Hohenberger. She then noted the following donations had been received:

Co-Sponsors: Windham Historic Commission, Windham Community Development Department, and Windham Baseball.

Sponsors (Goods and Services): St. Matthew's Church, Windham Police Department, Bella Vino Specialty Wines & Gourmet, Selectman Bruce Breton, Cyr Lumber, Delahunty Nurseries & Florist, Arthur Klemm, United Party Rental, Lobster Tail, Windham Deli, Chatterbox Café, Howie Glynn & Sons, Common Man, CVS, Culinary Capers, State Farm Insurance, Grubb & Ellis Coldstream Real Estate, Waterhouse Country Store, Prime Butcher, GK&K Concessions, The Dubay Group, Shaws, and AJ Letizio Sales & Marketing.

Sponsors (Financial Contributions): Windham Animal Hospital \$50, Great Escape Massage Therapy \$25, Anytime Fitness \$25, Windham Orthodontics \$25, and Woof Woof Professional Dog Services \$25.

Ms. Scott noted that there had been some leftover items, which had been passed on to Windham Helping Hands and the Salem and Windham Recreation departments; and that the net cost to the Town for this event had been \$85. Mrs. DiFruscia then moved and Mr. Hohenberger seconded to accept the donations to the Business After Hours event with thanks. Passed unanimously.

DONATION/JET SKI TRAILER: Chief McPherson approached to advise that he had been approached by Mr. George Skaperdas of Nault's regarding possible donation of a trailer for use in conjunction with the jet ski which Nault's provides to the Department seasonally. Chief McPherson noted that this trailer would allow for use of the jet ski for water rescue purposes on other bodies of water in Town beyond Cobbetts Pond, and is valued at \$890. Discussion ensued.

Mr. Lochiatto moved and Mrs. DiFruscia seconded to accept the donation for use of the trailer as discussed with thanks. Passed unanimously.

UTILITY APPRAISAL UPDATE: Tax Assessor Rex Norman approached noting that the utility appraisals had been received on time from the vendor and that, after spending some time reviewing the data he had sent copies to the Department of Revenue Administration with a recommendation to reject the results. Mr. Norman noted that the DRA had concurred with his recommendation based upon the following:

- Utilization of the wrong appraisal date: January 1st versus April 1st, and;
- The appraisals were sent as "restricted" appraisals, which is not acceptable. Mr. Norman noted that they will be re-written by the vendor as summary appraisals with all related documents included, and that the vendor will attend a future meeting to present the final product.

Mrs. DiFruscia inquired whether it was usual to have so many errors as part of a utility appraisal, and Mr. Norman replied in the negative. He added, however, that this was the vendor's first job in NH and there was a lack of understanding of telecommunications properties and what is taxable in the state.

Mr. Lochiatto inquired how the numbers come out, and Mr. Norman indicated he would rather wait for the vendor to make their changes before discussing the results. Mr. Hohenberger expressed concerns that the vendor may charge additional fees to return to the State. Mr. Norman replied that the vendor would not be charging to return and added that the final payment for the re-valuation was being held until he and the DRA are satisfied with the results.

TOWN CLERK WORKSHOP: Town Clerk Nicole Merrill opened the discussion by requesting that the Board consider authorization to implement a single check process for transactions at the Clerk's office. Ms. Merrill explained that, currently, residents are required to write two separate checks for their motor vehicle transactions; one to the State and one to the Town. If supported, the proposal would allow residents to write a single check to the Town, and Ms. Merrill noted that the process is currently being utilized in several NH communities including Chester, Hudson, Manchester, and Nashua.

Ms. Merrill further explained that the process not only offers greater convenience to the residents, but to staff as well, as it removes an extra step in the daily balancing out process. Funds collected for State fees would be transferred electronically to the State's account on a daily basis. Mrs. DiFruscia inquired whether the payee's information is noted in the transfer to the State, and Ms. Merrill replied in the affirmative. Mr. Lochiatto sought clarification that, with a single check, the Town would be fully responsible in the case of a returned check as the State fees would have already been paid out, and Ms. Merrill replied in the affirmative. Discussion ensued regarding the current process to collect returned checks.

Mrs. Call noted that she had spoken at length with Ms. Merrill regarding this request and that, at this point in time, no employee has the authority to send funds outside of Town accounts; including her. She added that this process would open up a whole new set of internal controls, and that the transfer would be set up as a batch process which she would not have control over as the Finance Director. Mrs. Call indicated that, while she was

in support of the single check process, proper controls needed to be set up. She noted also that, for existing internal transfers, the Town currently utilizes Citizens Bank's Money Manager at no charge, however, this would be a new process and would involve a fee. Ms. Merrill noted that the fee in question would be \$0.20/transfer plus an additional monthly charge, and Mrs. Call added that there is also a \$12/unit fee resulting in a total estimated fee of \$30-40/month to provide the service; which can be absorbed in the current budget.

Mr. Breton suggested that the internal control procedures should be developed prior to implementation, and Mrs. Call concurred; adding that if the Board supported the concept they would be drafted as an addendum to the existing internal controls. Discussion ensued regarding possible implementation of a convenience fee to absorb the cost, which Mrs. Call did not support given the difference between this service and that of accepting credit cards, versus the cost savings in labor and increased efficiency.

Mrs. DiFruscia then moved and Mr. Hohenberger seconded to support the concept of single check processing in the Clerk's office; conditional upon an addendum to the Town's internal control processes. Passed unanimously.

Records Retention: Mr. Sullivan inquired whether the Board wished to formally adopt the Records Retention Policy as previously discussed. Mr. Hohenberger moved and Mrs. DiFruscia seconded to approve the Records Retention Policy as presented. Passed unanimously.

FINANCIAL UPDATE: Mrs. Call provided her quarterly update to the Board, highlights of which included:

- Previous year energy savings resulting from purchase of supply service from Constellation NewEnergy amounted to approximately \$1,600 (annual).
- Salt shed/Highway garage construction project – final tally of expenditures resulted in overall savings of approximately \$4,000 of the \$960,000 budget.
- Tax anticipation note – working with the School the Town did not have to draw from its annual \$1M line of credit and it remains available for cash flow needs in December.
- Impact of changes to employer contributions to the NH Retirement system amount to a projected \$155,000 over expenditure for the total 2011 retirement budget. The State is re-looking at this issue, and it is hoped this impact will lessen.
- Across several budgets, vehicle fuel continues to run slightly over budget; with Highway being the highest overage due to the difficult January-March period.
- Lease payments on existing and new loan have been made for the Police, Fire, Highway, and Transfer vehicles; minimal equipment purchases are remaining.
- Price of oil (utilized in the Bartley, Searles, and Senior Center buildings) has been higher than expected; it is anticipated that the heat line item for these three buildings combined will be over budget by approximately \$3,000. Propane was a fixed price and will go back out to bid. Mrs. DiFruscia inquired whether a heat loss assessment had been completed on these buildings, and Mr. Sullivan replied that a full energy audit is being completed.
- Postage is 67% expended to date, however this is consistent with the amount expended for this same period last year; staff is endeavoring to track departmental postage uses through the new machine.
- Town Clerk dog licensing fees are over budget only due to the timing of the issuance of licenses.
- Some Police line items are running over budget, including overtime (although there is offsetting savings in the salary line due to coverage for an officer out on workers comp); vehicle maintenance due the age of the vehicles; and equipment maintenance due to some up front expenditures such as the annual generator maintenance contract.
- Fire overtime will be significantly over expended, despite offsetting savings in the salary line.
- Most other budgets are in line where they should be to date.
- \$25,709 in Energy Grant (ARRA) funds have been expended to date with \$23,709 in revenue received; total to be formally accepted through a future public hearing.

- \$1,792 of the Fire Equipment Grant has been expended to date with \$1,865 in revenue received and accepted by the Board.
- If Federal grant funding continues at the same level, new audit procedures will need to be implemented.
- Revised Highway Block Grant funding for this calendar year is expected to be \$306,455, which is less than originally communicated by the State.
- Permit revenues are overall on track, with building permits being slightly lower than expected and Planning Board fees slightly higher.
- Some departmental/miscellaneous income to date is lower than expected, such as Town building rent, however, miscellaneous is higher primarily due to a legal settlement on a code enforcement issue with \$8,750 received.
- The Town continues to invest up to \$5M in town funds in a higher interest rate account (currently at 0.6%), however, this rate has steadily dropped since the 1.0% originally offered due to market trends.
- Issuance of the Fire Engine Bond and receipt of the Highway Truck Grant funding will both occur later in 2011.

Discussion moved to the impacts of changes to the Retirement System. Mr. Sullivan noted that staff estimated the budget will be \$68-69,000 over budget at year end based upon \$155,000 in unbudgeted expenses. He added that Police can likely absorb most of their impacts due to salary savings, however, the Fire Department cannot. Mr. Sullivan also noted that the Fire overtime budget is estimated to be \$80K over at year end, however, staff would like to analyze trending on all items for another month.

Chief McPherson approached to advise that he had been monitoring overtime expenses weekly, noting that the Department currently has one individual out on long-term disability and has expended \$43K in overtime to date in coverage. The Chief indicated he is also tracking calls for service, particularly simultaneous calls, and that he has spoken with Mr. Sullivan regarding overtime concerns. Chief McPherson noted that, in response, he has dropped staffing to four per shift between the hours of 8AM and 6PM, Monday through Friday which, to date, has saved approximately \$2,900 and could result in an overall savings of \$15K. Discussion ensued regarding tracking of calls, the amount of earned time being used by staff, and any differences in service between pre/post staffing change.

Mr. Lochiatto excused himself from the meeting at 8:20 PM.

Mr. Sullivan discussed the items which factor into the overtime budget, including incident/demand, earned time, meeting attendance, mechanic staffing, incentives, and disability, as well as items which cannot be anticipated such as the amount of earned time used. Mr. Breton expressed concerns that, last year, the overtime budget was also over expended; by \$30K. Discussion ensued.

Mrs. DiFruscia inquired whether the Chief had seen any impacts as far as public safety with the reduced shift, to which he replied in the affirmative in that it affects operations. He then went on to explain the workings of a five person versus four person shift, recalls, and mutual aide. Chief McPherson added, however, that he had made a conscious decision to reduce overtime and was moving to do so in the best way he could.

Mr. Hohenberger pointed out that the Department has three Chiefs now, and Chief McPherson replied that those positions did not serve to augment the labor force, as contractually they cannot. Discussion ensued, with input from Chiefs McPherson and Morgan, regarding the Chiefs' duties and the removal of the firefighter/fire inspector position several years ago.

The Board then extended thanks to the Chiefs, and the latter will return to the Board in approximately one month with a further update.

CIP PARAMETERS: Mr. Sullivan reviewed with the Board the CIP process, noting that the purpose of this discussion was to establish whether the Board wished to adhere to the same capped figure as last year. Mr. Rob Gustafson approached, noting he was speaking as a resident rather than Chairman of the CIP Committee, to add that for the previous two years the Board had capped the Town's portion of the CIP at \$720K. He inquired whether the Board intended to do so again or whether the full \$0.75/thousand will be available to the CIP for purposes of their evaluation of submissions.

Mr. Hohenberger noted that he believed the CIP Committee should be free from comments from the Board, thereby allowing them to complete their process with the Board subsequently making cuts if necessary. Discussion ensued, and it was the consensus of the Board to concur with Mr. Hohenberger that the CIP Committee proceed with no cap.

OLD BUSINESS: Chief McPherson reported that although the Department had responded to no heat related incidents during a recent heat wave, it had been prepared to respond with cooling center and/or regional shelters as necessary. Mrs. DiFruscia inquired whether the Town utilized the same facilities for shelters during such incidents, and Chief McPherson replied that the available facilities are evaluated on a per incident basis.

Mr. Sullivan advised the Board that, with the addition of the Highway facility, Constellation's rate as recently approved by the Board had increased \$0.0002; which still represented a savings over PSNH.

Mr. Sullivan advised that Mr. Zohdi will be in attendance next week to review the Griffin Park parking lot plan with the Board. He added that he, Mr. McMahon, Mr. Zohdi and Mr. Monson of the CPIA had recently met, and that the latter was very supportive of the plan. Mr. Breton suggested that discussion regarding the project begin now with the fall sports leagues, and Mr. Sullivan replied that preliminary talks have already taken place and staff will be working with them to schedule the best timing for the project.

NON-PUBLIC SESSION: Mr. Hohenberger moved and Mrs. DiFruscia seconded to enter into non-public session in accordance with RSA 91-A:3 II b, c and e. Roll call vote - all "yes". The topics of discussion were hiring, reputations and legal and the Board, Mr. Sullivan, Mrs. Call, and Ms. Devlin were in attendance in all sessions.

Mr. Sullivan advised the Board of a personnel matter relative to disciplinary action. No decisions were made.

Mr. Sullivan discussed a union grievance with the Board. Mr. Hohenberger moved and Mrs. DiFruscia seconded to support the denial of the grievance. Passed 3-0-1, with Mr. Breton abstaining.

Mr. Sullivan updated the Board on an arbitration matter. No decisions were made.

Mr. Sullivan updated the Board on a personnel matter relative to staffing. Mrs. DiFruscia moved and Mr. Breton seconded to support advertising for a temporary staff member for the tax office. Passed 4-0.

Mr. Sullivan discussed candidates for the Records Retention Committee. Mr. Hohenberger moved and Mrs. DiFruscia seconded to appoint Ms. Doreen Demone and Mrs. Margaret Case as members. Passed 4-0.

Mrs. DiFruscia moved and Mr. Hohenberger seconded to adjourn. Passed unanimously.

The meeting was adjourned at 9:35 PM.

Respectfully submitted,
Wendi Devlin, Administrative Assistant

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