

BOARD OF SELECTMEN
Minutes of February 7, 2011

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

ANNOUNCEMENTS: Mr. McLeod noted that tickets for the Daddy Daughter sold out very rapidly the previous Saturday; in one and a half hours. He noted that some inquiries were made as to why more tickets could not be made available, and Mr. McLeod clarified that the availability is based upon fire/safety requirements at Castleton.

Mr. McMahon then noted the recent success of the "A Dad's Promise" event at Castleton, which was held in support of four (4) families in Town who recently suffered the loss of their husband/father.

Brief discussion ensued regarding the history of the Daddy/Daughter event.

LIAISON REPORTS: None.

MINUTES: Tabled.

CORRESPONDENCE: Letter of resignation received from Assistant Fire Chief Leuci, effective March 1, 2011. Mr. Breton moved and Mr. McLeod seconded to accept with regrets. After a brief discussion regarding Chief Leuci's contributions to the Town, motion passed 3-0.

ANNOUNCEMENTS CONTINUED: Mr. Alan Carpenter approached requesting the Board direct staff to seek some clarification of Town Counsel as to the possible impacts of Mr. Breton's candidacy to the Planning Board as a sitting member of the Selectmen; in order that the voters may be better informed before the election.

Mr. McLeod suggested that Mr. Breton may wish to recuse himself from this discussion, and then concurred with Mr. Carpenter's request. Mr. Breton declined to recuse himself, noting that staff has already obtained such information. Discussion ensued regarding Mr. Breton's recusal as it pertained to quorum issues. Mr. Breton then indicated he would recuse himself. Mr. McLeod indicated that he understood the Town Clerk has inquired of Town Counsel whether Mr. Breton could appear on the ballot, which had been answered in the affirmative, however, a second question exists as to what the ramifications would be should he be elected.

Mr. Sullivan noted that Counsel's response to Ms. Merrill did address both questions, but procedurally the Board would need to release that information as it is legal correspondence. Discussion ensued, and it was the consensus of Mr. McMahon and Mr. McLeod to release the document immediately. Mr. Sullivan then read the correspondence into the record (*copy attached*).

Mr. McLeod noted that his question would then be what happens to Mr. Breton's standing should the Selectmen not choose to appoint an Administrative "ex officio" member. Discussion ensued regarding further clarification from Counsel and whether any related case law existed. Staff will follow-up to obtain further clarification from Attorney Campbell.

Mr. Carpenter sought clarification that interested residents may now obtain a copy of the legal correspondence as discussed, and Mr. Sullivan replied in the affirmative as

it was now a public document.

COMMITTEE INTERVIEWS: The Board interviewed Mr. William Fidler and Mr. Michael Caruso for possible appointment as Alternates to the Recreation Committee; and Ms. Bonnie Parenteau for possible appointment as an Alternate to the Historic District Commission.

FINANCIAL UPDATE: Finance Director Dana Call, as a year-end financial update to the Board, reviewed those documents compiled by her for inclusion in the Annual Reports. Highlights included:

Comparative Statement of General Fund Appropriations & Expenditures - Reflects budgeted Town appropriations, expenditures and unexpended balances for 2010:

- Amounts in the “Unexpended/Overdraft” column reflect line items which have come in under or over budget for 2010, which are available towards the Town’s 2010 year-end fund balance (and once audited, the 2011 tax rate).
- These Over/Under expended amounts incorporate Encumbrances/ Carryovers to 2011 which reflects purchase orders issued and bids awarded by the Board of Selectmen prior to 12/31/10, as well as certain expenditures/contracts from 2010 for which invoices had not been received by year-end, as well as prior year capital appropriations which have not lapsed.
- Statement also reflects certain receipts which have been accepted by the Board and available as a direct offset to expenditures (Homeland Security/FEMA grants and State/ARRA funds used for Depot renovation).
- Total net unexpended balances from operating budget line items only, totals \$57,392, primarily due to savings in the Highway department. Some of these savings were transferred to the Assessing department, to fund the utility appraisal item approved by the Board in 12/10, resulting in a net “overexpended” shown in the Assessing line item.
- Total net unexpended items from the Capital projects represents \$106,385 that will be available towards the 2010 fund balance and 2011 tax rate.

General Fund Revenue Report: Presents estimated revenues as determined in setting the 2010 tax rate, as compared to actual annual revenues for 2010 and for 2009:

- Overall, 2010 revenue came in approximately \$220,000, or 4.4% higher than what was budgeted for the tax rate and is generally available towards 2010 fund balance (and once audited, the 2011 tax rate).
- Sale of town property – Timing of the sale of the Armstrong Road property taken by tax deed was just after the tax rate setting (was unknown at the time if the Town would receive any bids on the property after multiple attempts to sell).
- Other general revenues such as Interest on Delinquent Taxes, Motor Vehicle registrations, Building Permit fees, Transfer Station revenues and Ambulance fees came in higher than budgeted; at the time the tax rate was set, several of these line items had been trending downward, so conservative estimates were used, and ultimately many of them rebounded late in the year.
- Overall, discounting the impact of funding related to specific warrant articles (i.e. Salt Shed & Depot), 2010 revenues as compared to 2009 were virtually equal. The decrease in Cable franchise fees (which were high in 2009 due to the change in timing of payments from Comcast) was countered by increases in various other line items such as Building Permit fees, Transfer Station revenues and Interest on Delinquent Taxes.

General Fund Balance Sheet - Presents estimated year-end balances for asset, liability and fund balance accounts:

- General fund assets are primarily limited to cash on hand and uncollected property taxes; investment of these cash balances is limited due to timing of

requests for payment to the Windham School District.

- General fund liabilities are primarily made up of remaining amounts owed to the School district for the school portion of taxes raised; this amount will be transferred to the School District in increments from January to June 2011.
- Fund balance represents the difference between assets and liabilities (i.e. it does not represent a “cash balance” in a bank account); changes in fund balance from year to year are impacted favorably by unexpended budget amounts and revenues exceeding budget (as discussed above), however, the change in fund balance is also affected by changes in receivables, payables and deferred revenues throughout the year. The portion of 2010 ending fund balance that is not designated for encumbrances/carryovers is referred to as “Undesignated” and is generally available for reducing the tax rate in 2011.

Special Funds: Mrs. Call then briefly reviewed the Special Fund accounts, which include the recreation revolving and police contracted detail funds.

OLD/NEW BUSINESS: Mr. Sullivan advised that he, Jack McCartney and Sy Wrenn had met that afternoon at the Highway Garage, and Mr. Wrenn is ready to turn over the facility to the Town for use. He added there are a few items remaining on the punch list, as well as the final coat of paving and landscaping in the spring. Mr. Sullivan noted an agreement was being drafted for execution to allow the Town use of the facility, and that there is approximately \$68,000 left of work to be completed which includes a carbon monoxide detection system and the paving. Brief discussion ensued regarding funds remaining from the warrant article.

NON-PUBLIC SESSION: Mr. Breton moved and Mr. McLeod seconded to enter into non-public session in accordance with RSA 91-A:3 II c and e. Roll call vote all “yes”. The topics of discussion were reputations and legal, and the Board, Mr. Sullivan and Mrs. Call were in attendance.

Mr. McLeod moved and Mr. Breton seconded to make the following Committee appointments: Ms. Parenteau as alternate to the HDC through June of 2011; Mr. Fidler as Alternate to Recreation through June of 2013, and Mr. Caruso as Alternate to Recreation through June of 2011. Passed 3-0.

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

Mr. McLeod moved and Mr. Breton seconded to adjourn. Passed 3-0.

The meeting was adjourned at 8:15 PM.

Respectfully submitted,
Wendi Devlin, Administrative Assistant

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