

**Enfield Board of Selectmen
Public Works Facility, 74 Lockehaven Road
Enfield, New Hampshire**

MINUTES of December 5, 2011

Board of Selectmen: Fred Cummings, Chairman; Donald J. Crate, Sr.; John W. Kluge

Administrative Staff: Steven Schneider, Town Manager; Alisa D. Bonnette, Executive Assistant; Jim Taylor, Director of Public Works; Richard A. Crate, Jr., Chief of Police

Others: Lori Saladino, Gary Gaudette, Gail Malz, Gayle Hulva, Bob Cusick, Lee Carrier, Shirley Green, Kurt Gotthardt, Janet Shepard, Curtis Payne, Dan Kiley, Sam Eaton

BUSINESS MEETING

I. CALL TO ORDER

Mr. Cummings called the meeting to order at 6:00 pm.

II. APPROVAL OF MINUTES

Mr. Kluge moved to approve the regular session minutes of November 21, 2011 as presented, Mr. Crate seconded, vote unanimous in favor of the motion.

Mr. Kluge moved to approve the non-public session minutes of November 21, 2011 as presented, Mr. Crate seconded, vote unanimous in favor of the motion.

III. COMMUNICATIONS

Planning Board Public hearing Notice: December 14, 2011

Maple Street-Enfield Acquisition LLC, aka Ironman, aka Laramie Farms, will meet with the Planning Board for a Phase II Design Review on December 14, 2011 at 7 PM at the Public Works Facility. The Planning Board does not feel they can talk about conceptualls anymore and are requiring them to come in for a full-fledged public hearing with proper notices to abutters.

Tax Collector's Report – November 2011:

Collections are where we should be, at 21% so far.

Town Clerk's Report – November 2011:

Town Clerk revenues are within \$5 of where we were this time last year. We budgeted \$725,000 for Town Clerk revenues and should be close.

IV. BOARD REPORTS

Enfield Village Association:

Main Street has been decorated by the EVA Design Committee.

Hometown Holidays were held at the Enfield Community Building and worked well. Arts and crafts and story time was held downstairs for children. Upstairs there were vendors and a one-day café. There were also wagon rides and Santa Claus. About 150 children attended, with parents in tow. There have been a lot of positive comments on the list.

Hometown Holidays is not a fundraiser for EVA, but is something they do for the community this time of year.

Conservation Commission:

The Conservation Commission met last week. They are planning future collaboration with the Shaker Museum on trail improvement projects.

V. TOWN MANAGER'S REPORT

Shaker Hill Road Winter Maintenance:

The Board of Selectmen was provided with a comprehensive report from the State of NH in response to a request from Mr. Schneider. In 1945 the State classified Shaker Hill road as a Class II State Aid Highway. The 1945 law said the State would take over all summer and winter maintenance as soon as the road was brought up to State classification. The State does not believe it has any duty to perform any winter maintenance as long as the road is not up to classification. This doesn't address the issue of winter maintenance due to lack of summer maintenance. The issue all along has been the lack of summer maintenance and the damage this causes to our equipment in the performance of winter maintenance.

In the past the State has offered to cover 2/3 of the cost to bring the road up to State classification at which point they would take over the winter maintenance

Mr. Kluge asked if there is any chance they may stop doing any maintenance if it doesn't meet State classification?

Mr. Schneider responded that they didn't say that.

Mr. Crate pointed out that the ditches are so full of water it runs in the road and we have to treat the road more.

Mr. Schneider said the documents indicate that it has been going on for decades.

Mr. Kluge said we need to be careful the State doesn't turn around and say it doesn't meet their standards so it's all ours.

Water Main Project –Main Street:

Bid results for the Main Street Water Main Project were provided to the Selectmen. L&M Service Contractors, LLC came in with the low bid at \$59,295; about \$40,000 less than Coleman who is doing the work on the bridge. The bid results have been sent to the engineer and to the State to be sure it looks good. The Town is responsible for half of the cost. If the State is OK with it, we could get the work done before the end of the year.

VI. PUBLIC COMMENTS

Kurt Gotthardt – Shaker Hill Road Maintenance:

Mr. Gotthardt asked if it would be cost effective for the Town to do some summer maintenance on Shaker Hill Road to prevent damage to equipment.

Mr. Schneider responded that it's not our road. Not having the money is a reason for the State not to do the summer maintenance, but not a valid one. It's their choice not to support this resource. If we start doing summer maintenance we may be stuck doing it.

Bob Cusick pointed out the 1945 law – once it meets State specifications they'd take over maintenance.

Mr. Schneider thinks the State specifications have been a moving mark.

Mr. Crate thinks it has probably never been up to State specifications. The State did pay to do a lot of work on the portion from Lockhaven Road to Route 4A in the late 50's to early 60's.

Mr. Schneider said the Town would have to pay for a third of the cost of a mile and a half of pretty serious reconstruction.

VII. BUSINESS

2012 Budget: Capital Improvement Program:

Lee Carrier made a comprehensive presentation of the establishment of the CIP Committee, the Committee's goals and recommendations for 2012-2026 capital planning – see Addendum I.

The CIP Committee has been meeting weekly. The Committee consists of Lee Carrier, chairman of the Budget Committee for 6 years, a CPA and members from the business world. Steve Schneider has been there every night.

While the CIP Committee is required by law to prepare a Capital Improvement Program for a 6-year period, the CIP Committee has decided to prepare a longer range plan, developing a program for capital improvements over a 15-year period.

The CIP Committee proposes an incremental tax increase to raise an additional \$25,000 each year. In the early years this would mean a 5 cent tax increase each year to raise those additional funds. In later years, as the overall property value of the Town increases it may be only 2 cents or 3 cents each year.

Capital needs from 2012 – 2126 for each department include, but are not limited to:

Department of Public Works – Major repairs to Jones Hill Road
Fire Department – New fire truck
Police Department – One new cruiser each year
Ambulance – New ambulance

The CIP Committee has a lot more work moving forward. They are concentrating on 2012 for now. It may make sense to increase the number of cruisers from 5 to 7; they'll last longer. The Committee has to look at this in more detail.

The CIP Committee made some difficult decisions. The Fire Department requested two trucks; the CIP Committee recommends only one, a used transport truck to replace the blazer. The CIP Committee also recommends leasing two DPW trucks and a cruiser rather than purchasing outright. Discussion ensued regarding the difference between an operating lease, which is the type consumers are used to and a capital lease, which is the type used by municipalities to purchase vehicles and equipment. With a capital lease the Town would purchase the vehicle from the vendor of its choice. A financing company would then pay the vendor and collect lease payments from the Town. At the completion of the lease the Town would own the vehicle or equipment outright. The purchase of two DPW trucks (\$300,000) and a cruiser (\$28,000) could be spread out over 5 years with a lease at a cost of only about \$40,500 per year. At the end of this period the Town would own the equipment.

Bob Cusick has spoken with a leasing company in Colorado. They have only had one lease come back to them.

Lee Carrier added a lease is a win-win situation. The Town can make payments over time. The leasing company owns the equipment and can write off the depreciation, something the Town cannot do.

In answer to a question from Mr. Crate, Mr. Carrier explained that the process starts with the department head who prepares the specifications for the purchase. We go out to bid and the chosen vendor then outfits the vehicle to those specifications. We then obtain financing from the leasing company.

Mr. Cummings pointed out that an advantage to leasing is that it includes a cruiser that is fully outfitted with lights and electronics so all of those items can be rolled into the lease payments.

Mr. Gotthardt suggested that the financing process be labeled as something other than a lease; terminology that is confusing since it isn't the type of lease most people are familiar with.

Lori Saladino asked if the Town has ever done this before. She was informed that Enfield has not done this for rolling stock before, but other towns do this. The Lebanon Police Department leases cruisers.

The CIP Committee recommends the Town 1) establish a warrant article to fund a CIP Capital Reserve Fund (CRF) to allow for more efficient use of funds; 2) place \$162,700 into the newly established CIP CRF; 3) increase the tax rate by 5 cents for CIP funding; and 4) acquire \$388,000 in vehicles and equipment.

It was noted that where the Budget Committee wants to limit tax increases to no more than a nickel in any year, the CIP plan is using up that nickel. The CIP plan is intended to be above and beyond the general budget.

Mr. Cummings pointed out that the onus will be on the Budget Committee and the Board of Selectmen to keep the rate as steady as possible since we will have this 5 cent impact if this plan is implemented.

Mr. Kluge said we know there will be other pressures on the budget beyond capital, so it will be a balancing act.

Mr. Cummings added that this plan provides for the purchase of capital items with the least impact possible.

Mr. Carrier continued with the presentation of CIP financing options. Of the six options available the CIP Committee does not recommend the use of undesignated funds. The Committee feels these funds are needed for emergencies.

There are a number of capital reserve accounts with various balances. The proposal is to create a new CIP CRF and use the existing CRF accounts until they are depleted at which time they could be closed.

The incremental cost to taxpayers would be \$12.50/year for a \$250,000 home. Clarification of the incremental tax increase was provided. From inception, the first year \$25,000 would be raised, the second year \$50,000 would be raised, and so forth. Each year would be an increase of 5 cents over the previous year.

Mr. Kluge asked what you say to people who say it's too easy to spend the money.

Mr. Schneider explained that it goes back to a level of service.

Discussion ensued regarding existing equipment and the need to maintain that equipment. The question is not the needs, but how are you going to pay for them? Finally, it's not the Board of Selectmen or Budget Committee who decide, but the voters who will decide.

Mr. Carrier completed his presentation by explaining why this is an ideal time to implement this plan. We have the expiration of the DPW bond, we can take advantage of the very low cost of leasing, we have major commitments on the horizon and the plan gets us ahead of the curve, and it provides for years of stability.

There has been call for a salt shed at the Public Works Facility. A salt shed at this location would save on the cost to travel to the Shedd Street facility to get salt. The

Mr. Cummings explained that this plan spreads out purchases and expenses to minimize the tax impact in any one year rather than allowing tax spikes and putting off purchases until we need more in a single year.

Dan Kiley pointed out that the problem isn't year one, it's year ten. The warrant article will be to put \$250,000 into CRF at a cost of 50 cents/\$1,000.

Mr. Kiley was informed that isn't precisely how it will work. Every nickel increase is not slated for the CRF. The \$250,000 in year ten might be used to purchase a piece of equipment. The CIP CRF would be a catch-all for those years we need a bit more in funding. There will still be clear limitations.

Mr. Carrier informed the audience that 6 – 7 years ago we were putting big chunks of money into capital reserves. We have not been doing that in recent years. Five years out in the 15 year plan period, \$445,000 is needed for capital expenditures. On average we've spent \$90,000/year. One year was budgeted at \$0; things were backed up and falling apart. Over five years \$2,490,000 is needed. It may be 8 years before we catch up.

Mr. Cusick added that leasing helps us catch up. Eventually you'll have reserves built up to buy equipment.

Schneider explained that we have to make the argument that our equipment is not going to last forever.

Mr. Gotthardt suggested presenting maintenance records to support the argument.

Mr. Schneider said that we'll make the equipment last as long as we can. Just because a lease is up and the equipment is paid for doesn't mean we'll get a new one.

Gayle Hulva would like to see a spreadsheet of the equipment.

Mr. Carrier will get this information from Doug Pettibone and email it to Budget Committee members. There are 30 pieces of Public Works equipment, Jones Hill Road was included in the CIP, and Lockhaven Road was removed. The Town has flexibility.

Discussion followed regarding DPW vehicles, equipment and buildings and the types that are most suitable for municipal operation. There are laws governing the storage of salt and many older town salt sheds are being decommissioned. Jim Taylor has priced out a less expensive option than was previously proposed, one that is about \$120,000 vs. \$300,000.

Bob Cusick said the Board of Selectmen and Budget Committee can make changes. These things aren't sacrosanct. It's more of a commitment to the philosophy of the plan. Our main concern is keeping tax rates at the smallest increase possible.

Mr. Carrier cautioned that the CIP Committee has worked through this, but if you pull out too many things we'll end up where we are now.

Mr. Crate stated that he liked the plan.

Mr. Schneider will meet with Doug Pettibone, Budget Committee Chairman, to go over this.

Mr. Carrier added that a lot of money is needed for road repair. The CIP Committee's approach was to tackle major reconstruction and include that in the CIP, but the Selectmen and Budget Committee should budget for regular maintenance in the operating budget.

Whaleback Update:

Mr. Schneider reported that the Town has not yet received any money. The Board will have the paperwork to sign to deed the property at their next meeting. Tim Herbert owns one piece and that piece will be paid off before that time.

TIF Water/Sewer Extension:

Tomorrow night is the TIF Committee Public Meeting at 6:30 PM at the Community Building. Dave Saladino of the TIF Committee will make the presentation.

Mr. Crate asked who selects the company that does the extension, the TIF Committee or the Board of Selectmen. His concern is that they have large enough equipment to do the job. He was informed by Mr. Schneider that the Selectmen would have input.

Mr. Schneider presented the Board with drafted wording in the Sewer Ordinance relative to waivers to connect to the sewer system due to an operating septic system. A new sentence will be added stating "The Town reserves the right to inspect said system if we receive reports of system failure." "Appendix II" has been added to address the waiver of connection fees for properties within the Route 4 sewer extension project area if connection is made within 120 days.

Mr. Crate inquired about the connection fee. He was informed that it is \$1500 each for water and sewer connections. The fees will be waived if connection is made within 120 of when the extension goes by a building.

Mr. Crate stated that every taxpayer is going to be paying for this in their taxes.

Mr. Schneider informed him that the funding would come from TIF funds. It is also possible that the connection fees could be financed through the quarterly billing rather than paid as a single lump sum.

Mr. Taylor said nothing forces them to hook up to the water system. In response to a question posed at the last Selectboard meeting, Mr. Taylor explained that a sewer only customer is charged based on a meter installed on the homeowner's waterline. It is installed to measure inside household water use and the homeowner is then charged sewer only based on water consumption.

Discussion ensued regarding water use that does not enter the sewer system, such as washing cars and filling pools. Pool credits are available, but there is no way to provide a credit for other outdoor water uses such as washing cars and watering lawns.

Ambulance Billing/2012 Staffing:

Mr. Schneider met with Richard Martin, Sam Provenza and Bob Cusick about staffing and concerns that have been identified. The biggest concern is that anything we do has to improve the level of service. We are still unclear on staffing and coordination with Lebanon. It didn't seem as if there would be a lot of folks on the current roster that would fill an on-call position. It's not a question of quality of the existing service; we just need consistent service levels. Mr. Schneider shared some emails with the Selectmen that he received in response to article in the paper the previous Thursday, which seemed fairly well written. He will meet with the FAST Squad soon.

Mr. Cummings knew this would create hard feelings. It's something we haven't done before. When the Enfield FAST Squad responds they do a great job.

Commercial Dumpsters:

The Selectmen will be provided with a list of commercial dumpsters that aren't serviced by the Town at their next meeting.

Part-Time Holiday Pay:

The Board discussed the payment of Holiday Pay to part-time employees. They were provided with the current policy to review. The primary impact is on part-time police officers. The Board discussed employee classification and Mr. Cummings suggested a term other than 'temporary' be used as some of the part-time personnel covered under the current policy may work a sporadic schedule, but they are not truly temporary. Chief Crate asked that if there is a change in policy that it be effective as of January 1 so he does not have some people working under one policy and other working under another policy within the same calendar year.

Mr. Cummings moved to pay holiday pay if a part-time person works the holiday, effective January 1, 2012; Mr. Crate seconded. Mr. Cummings and Mr. Crate in favor, Mr. Kluge opposed, motion carried.

Kurt Gotthardt explained that the hospital has per diem employees. They get holiday pay but aren't required to work if they choose not to.

Other Business:

NH Route 4A & Baltic Street Issues:

Mr. Seiler leaves a pickup and a trailer beside NH Route 4A all night long. Mr. Crate has received several calls about this vehicle being parked at the edge of the fog line.

Chief Crate will look into it.

Mr. Crate noted that a lot of people are considering this property a junk yard. There is also a bit of junk yard type stuff on Baltic Street; also parking in the street all night.

VIII. OTHER ITEMS

Next Meeting:

Monday, December 19, 2011, 6:00 PM, Whitney Hall

CONFERENCE

I. NON-PUBLIC SESSION

Mr. Crate moved to enter non-public session at 7:59 PM, RSA 91-A:3 II (c) & (a), Mr. Kluge seconded. Roll call vote: Mr. Crate – aye, Mr. Kluge – aye, Mr. Cummings – aye, vote unanimous in favor of the motion.

Mr. Crate moved to come out of non-public session at 8:15 PM, Mr. Kluge seconded, vote unanimous in favor of the motion.

II. ADJOURNMENT

Mr. Crate moved to adjourn at 8:15 PM, Mr. Kluge seconded, vote unanimous in favor of the motion, meeting adjourned.

Addendum I

CIP

**CAPITAL IMPROVEMENT
PROGRAM**

12-5-11

Introduction

Capital Improvement Program Committee

- **March 17, 2007 Town Voted to have a Capital Improvement Committee.**
 - **To Prepare and Amend a Recommended Program of Municipal Capital Improvement Projects Projected Over a Period of At Least 6 Years**
 - **The CIP's Purpose is to Aid the Selectmen and The Budget Committee In Their Consideration Of the Annual Budget**
 - **The Committee is to Comply With RSA 674: 5-8**
-

OUR Capital Purchasing Challenge

Next 5 Years We Will Need \$2,618,000

Next 15 Years We Will Need \$6,668,000

DPW Is 68% of The Budget

And We have \$8.00 in DPW Reserves

CIP Goals

- **To Submit To BOS & BC A FY 2012 CIP Plan For Their Consideration as Part Of The Annual Budget**
 - **As Well as a 15 Year Detailed Plan**
 - **Evaluate All Department's Request**
 - **We Believe as Part of This Plan a Major Goal Is to Smooth Out Each Years Financial Tax Impact Through Timing Purchases and Methods of Financing**
 - **Keep Incremental Yearly Increase Less than .8% or 5 Cents per Year**
-

CIP Committee Duties

- **Categorize Projects According To Urgency and Need**
 - **Recommend A Time Sequence For Implementation**
 - **Estimate Cost of Each Project**
 - **Identify Sources of Funds**
 - **Develop a Strategic. Purchasing and Financing Plan**
-

Enfield's Capital Needs 2012 to 2026

DPW	\$4,538,000
Fire Dept	\$1,471,000
Police Dept	\$506,000
Ambulance	\$153,000
Total	\$6,668,000

**CIP Committee
Has a 15 Year Plan**

**That Includes An
Incremental Tax Increase OF**

5 CENTS / Year

Financing Capital Expenditures 2012 to 2026 15 Years

- 1. Transfer To Capital Reserve every year \$212,700 of the non-recurring 2011 Capital Expenditures. Going Forward This Has a No tax impact and will add to CIP Reserves \$3,190,500 in 15 years**

- 2. Apply existing Reserve Fund Monies where applicable. There is \$416,100 in reserves that are applicable**

- 3. Increase Tax Rate 5 cents every year and appropriate this money to a Capital Reserve Fund that will be called the "CIP Capital Reserve Fund" This will generate**

\$3,000,000 in Revenue by 2026

4. Implementing above Suggestions Will Finance the \$6.6. Million Dollar Capital Needs at an Incremental Yearly Tax Impact of Less Than .08%

**How Can We Afford to Appropriate In
2012
\$388,000 In Capital Spending Plus Add
\$162,700 in A CIP Reserve Account**

AND

Increase Taxes By Only

\$.05 Cents

**FY 2012
Recommended Financing Approach**

- 1. Increase Tax Rate by A Nickel \$25,000**
 - 2. Apply Fire Department Reserves \$20,000**
 - 3. Take non-recurring 2011 capital expenditures of \$212,700 and place \$162,700 in CIP Capital Reserves Account and Apply as Revenue \$50,000 to FY 2012 Budget**
 - 4. Lease Two DPW Trucks (\$300K) and A Police Cruiser (\$28K) At A Yearly Cost of \$40.5K. The Town Would Own the Equipment Plus This Avoids a \$328,000 FY 2012 expenditure that would have a \$.65/M tax Impact that represents an 11% Increase.**
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**FY 2012 Budget
CIP Recommendations To
BOS & BC**

- 1. Establish a Warrant Article to fund a CIP Capital Reserve Fund**
- 2. Place in CIP Capital Reserves \$162,700**
- 3. Increase Tax Rate by a Nickel \$25,000**

4. Acquire \$388,000 in Equipment

A.	Two Intl. Trucks	300,000
B.	DPW Trailer	\$5,000
C.	Fire Transport Truck (Used).....	\$20,000
D.	Jones Hill Road Engineering	\$20,000
E.	Police Car	\$28,000
F.	Lawn Mower	\$6,000
	Total.....	379,000

Major Advantages of The CIP Recommendations

- 1. Makes It Possible to purchase Needed Equipment in 2012 Without having a Major Negative Impact on Our Tax Rate (5 cents vs. 65 cents)**
 - 2. Creates a Plan and Sets The Foundation That Provides the Required Funding of Necessary Equipment and Infrastructure for the Next 15 Years .**
 - 3. Going Forward We Will have a Smooth Tax Rate Related to the acquisition of Equipment and Infrastructure Eliminating Major Tax Rate Spikes from year to year**
 - 4. This Plan Should Limit Tax Rate Increases for Equipment and Infrastructure to Approximately \$.05 in any given Year.**
 - 5. This Analysis is Based on Current Interest Rates. On Leases it is 2.5 % and on Bank Loans 3.5%. Currently these Rates are Approximately 1% to 2% less than Bonds**
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CIP Financing Options Available

- Municipal Taxes
 - Undesignated Funds
 - Float a Bond
 - Bank Loan
 - Capital Reserves
 - Lease
-

How to Finance

Year	Yr'ly Transfer to Reserves the non-recurring 2011 Capital Expenditures Starting 2012 to 2026	Apply Existing Capital Reserves Totaling \$416,100	Increase Tax Rate \$.05 Every Year and Place in CIP Reserve	YEAR
2012	\$212,700	\$0	\$25,000	1
2013	\$212,700	\$116,000 Salt Shed	\$50,000	2
2014	\$212,700	\$0	\$75,000	3
2015	\$212,700	\$300,100 Fire Engine	\$100,000	4
2020	\$212,700	\$0	\$225,000	9
2026	\$212,700	\$0	\$375,000	15
Grand Total 15 Years	\$3,190,500	\$416,100	\$3,000,000	\$6,606,600
		Grand Total 15 Years	\$6,606,600	

This Year Is An Ideal Time to Put This Plan In Place.

- 1. We have The Expiration of The DPW Bond.**
- 2. We can Take Advantage of The Very Low Cost of Leasing.**
- 3. We Have Major Commitments on The Horizon and This Plan Gets Us Ahead of The Curve.**
- 4. It provides For Years Of Stability**

End of Presentation