

**MINUTES OF SELECTMAN'S MEETING
TOWN OF GORHAM
MONDAY, NOVEMBER 13, 2017 6:00 PM
TOWN HALL CONFERENCE ROOM**

Gorham Selectman present: Terry Oliver, Pat Lefebvre, and Mike Waddell

Also present: Robin Frost, Town Manager; Denise Vallee; Michelle Lutz; Paul Mercier; Edith Tucker, Berlin Daily Sun; Diane Bouthot; Mary White; Adam White

1. Call to Order: The meeting was called to order by Chairman Oliver at 6:00 pm.

2. Appointments:

a) Paul Mercier – 2016 Audit Questions -

Selectman Waddell asked Mercier about the encumbrance amount and what it is. Mercier explained that encumbrances are appropriations that are carried forward for projects that are not completed, similar to open purchase orders. Mercier advised that the amount Waddell is asking about is the deferred taxes, which is an amount for taxes that the town does not anticipate on collecting within 180 days. This is money set aside for abatement requests, bankruptcies, etc., that the town may not collect. In February, some of the properties had already been tax deeded, so they could not be counted as receivables. Those taxes will come off the books as though they were abated. Mercier advised that there is \$1,175,000 on the credit side of the balance sheet, of which some will be collected, but we don't know when. There was \$305,000 available in the fund balance to help reduce taxes, but this is a small amount for this community. Mercier explained that the value is just a number on paper and has no value until it is actually collected. Waddell asked about the Munce properties, stating that when they were sold, the \$450,000 due for taxes was removed from the unrestricted fund balance, since it would not be collected, reducing the fund to \$305,000. Mercier explained that is the net effect. What happened is he took the \$1,865,000 in uncollected taxes, which is an estimate of what we might not collect at all, and subtracted the \$450,000 that would not be collected from Munce's, leaving \$1,415,000. Mercier explained that essentially this is the overlay, just in case there is a mistake on an assessment, or a change in a property value. Waddell advised that the overlay that the TM is proposing this year is \$75,000. Waddell asked if the Munce properties had not been sold, would this money have been taken out of the fund balance. Mercier advised it would have, as it was still uncollectable. Mercier stated that at least now, the property has been written off and uncollectable 2017 taxes will not be included this year. Mercier stated that in the big picture, getting properties off the books and back into production is a benefit across the board. Waddell asked about the Gleason property and where that was included. Mercier advised it is included in the \$1,415,000, and since the IRS has liens against the property and if they were to deed it the town would have a claim against them, so it could sit there forever. Waddell expressed concern that if the other properties were sold in a similar manner, the fund balance we have now would disappear altogether. Mercier agreed that the \$305,000 is a scary number for a town this size and the only way to build that fund up is to collect more revenue or spend less than anticipated. Mercier also pointed out that the Governmental Accounting Standard Board now requires the town to put the total of the total sum of the retirement liability on the balance sheet, which now shows a deficit. In the past they were only required to list the amount owed each year, and it is a number that the town cannot do anything about. However, the only numbers that affect the budget process are the fund balance and the overlay. Waddell asked what would happen if the mill were to close and Mercier explained that in order to cover the cash flow requirement, you would have to up the

overlay and collect more from everybody else. Mercier advised that of the more than \$1 million owed in taxes, the mill is \$785,000, Top Furniture is \$18,777, Gleason is \$37,098, Gorham Industrial Park is \$58,000, and then there are other smaller ones. If those amounts are collected, the fund balance will go up. TM Frost advised that they have an agreement with the mill to be current by July of 2018 which will make for a better fund balance next year. Waddell also asked if the net position affects the financial health of a budget and Mercier explained that this number is the total of all the capital assets minus long-term liability. Mercier stated that the financial position stated on page 5 is a better measure of liquidity, as we are looking at what is available to provide services. Waddell asked about the change in fund balances and if it would affect future budgets and Mercier advised it would not as it is just the difference between the revenues and expenses for the current year. Waddell asked about the receivables being less than payables on page 20, and Mercier explained that this is the inter-fund balances, which is money that cannot be spent for general purposes, it is restricted and is for grants, special revenue, or capital funds. Waddell's last question was about the deficit and how it affects the budget. Mercier explained that the decrease in fund balance, or net change, is the current budget appropriations, plus the budget brought forward, minus the money spent. Mercier stated that the reason for the deficit was that we did not have the revenues anticipated. Mercier also advised that if the taxes are current or anticipated to be paid with a payment plan, such as the mill, that there would be no deferral, and that interest owed is not counted until it is collected.

b) Michelle Lutz – Assessing Budget Review -

Lutz advised that the biggest change in the budget is the revaluation figure, which is down significantly. Lutz advised she does not have a figure from Sansoucy yet, so it may change. The figure for posting the tax cards was a one-time fee, which is not included this year. Lutz advised that she will be printing tax cards for everyone this year, so she is leaving the printing item the same. Lutz reduced the postage line, as not as much was used last year. Lutz advised that an office chair was included in the budget, but that is not needed, as Elaine was able to repair the one she has. Waddell asked how much the software support fee was for the Patriot card system. Denise Vallee advised that the actual hardware comes out of the capital reserve. The annual fee is the support fee of \$7313 for AssessPro, which is every year of the five-year contract. Waddell asked how things are going with the new software. Lutz advised that anytime you change software there will be glitches, however the bills will be printed tomorrow, and we seem to be in a good spot now. Waddell asked when the new tax cards would be online and was advised they are already there. TM Frost advised that Hudson also uses AssessPro and they were able to help with reports that needed to be printed and next time should be easier. Waddell asked about next year, and if 20% of the properties would be done again and Lutz advised that is the plan. Waddell asked where we stand with the KRT contract. TM Frost advised that they owe DRA a use pap and then their contract is fulfilled. Frost advised the plan is to go out to bid for cyclical work. Waddell stated it should be sooner rather than later and Frost advised it could go out any time. Waddell again stated that the Board should see the information before the public does and that should be part of the RFP. Lutz advised that she does give the sales used to the Board every year, each month she checks the sales to see if they are qualified or not and sends them to KRT, at which time they go out and look and confirm it. Waddell stated that there were about 107 appointments, for about 130 properties. Lutz advised that people received their letters today. Waddell requested that the spreadsheet be made available publicly, and Lutz advised that she would put it on the website.

In reviewing the Planning and Zoning budgets, Lutz advised that the Board signed the contract for \$8,000 for the Master Plan. Lutz asked if there were any zoning ordinance changes this year and Waddell and Lefebvre advised they didn't think so as it would be too late this year. Waddell advised that the \$7500 from last year was expended to North Country Council and asked if the \$7500 from this

year could be encumbered towards the \$8000. TM Frost asked what the contract is for and Lutz advised it is for finishing the survey. TM Frost asked if there was a term on the contract and Lutz advised she would have to look. Lutz advised the conference and meeting line was increased a little as it ran over last year. Lutz stated that the miscellaneous line was dropped down \$100 based on usage.

c) Denise Vallee – Finance Budget Review –

Vallee advised that the budget now includes \$3000 for the streaming service in the Conference Travel and Video line. The only other change in the budget is Budget Committee copies, which is at \$200, but will be increased to \$300 for next year. Vallee advised the telephone/internet line is going down \$390 due to the switch to Ingenuity. The subscription and dues line is up \$15 for SHRM. Office supplies are down \$200, and conferences and meetings is down \$80. The benefits for the full-time position in the clerk's office will now be split 50/50 between the Town Clerk and Tax Collector budgets, rather than finance covering 1/3 of it, due to the new software which makes it difficult to split in thirds. Vallee advised there is \$117 more in the software line. The budget is down \$13,370, but some of this will be included in the Town Clerk/Tax Collector budget. Vallee advised that \$7,600 was overpaid for software, but will be credited to the account.

Vallee advised that the legal budget has been reduced to \$50,000, and left the legal planning at \$10,000. The personnel benefits page has an additional \$100 in the Wellness line to promote employee health. Tuition reimbursement has been added at \$750.

Waddell asked about health insurance and life and disability. Vallee advised that the health insurance is going up 5.9% as of July 1, 2018. The current rate will be in effect until June 30. A single plan will go up \$3.16 biweekly, a couple plan \$7.33, and a family plan \$9.90. Life and Disability will stay the same, as it is based on wages, so if there is no wage increase it will be the same. Worker's comp went up just a little, and property and liability went up town wide just under \$2000 and unemployment went down. Retirement stays the same this year.

Vallee advised under General Government Building, the electricity line has dropped \$3000 as the average per month has gone down. We now have LED bulbs at the PD since they are on 24 hours a day. Town hall maintenance has done pretty well, but Accutemp was just here for a service call, there are nine calls figured into the budget for the year. Waddell asked about the inspection line and the agreement with Pine State. Vallee advised that they have a contract for the elevator and the lift for the stage, which is billed quarterly and there is an inspection annually in July. Waddell asked if the town has spoken to the Resource Center and school about working together with that contract. Vallee advised that we already coordinate with the Resource Center, but the school is on a different schedule. Waddell suggested that we check with the school on that.

Vallee advised Property and Liability did not go up much, but all the numbers will go up a little based on the estimate that she just received. Membership fees to North Country Council dropped down.

The Welfare budget for training line went down, as there were only four trainings scheduled instead of six. The expense line is down \$5000 as Sue Enman does a good job referring people to other agencies and resources when they need help. The Conservation Commission is at \$500 again this year.

The long-term debt includes the backhoe, which is \$4,711. The budgeted amount for a TAN is \$2000. The union contract is still being worked on, so cost items for that are not included. Capital Reserve funds are filled in at what they were last year as a starting point. Trust amounts are also the same as

last year, and Improvements are at \$80,000 again this year. Agency requests are in the same as last year, and will go up or down depending on the requests received in January.

3. New Business:

a) Revaluation Report of Changes – The total town revaluation was about \$272 million, which is pretty much the same as it was. Selectman Lefebvre mentioned the new yard items category and Lutz advised it didn't mean it was a new item, just a new value. Lefebvre mentioned that it seemed most everyone who came in for a meeting received some reduction, but those that didn't received nothing. Lutz advised that if taxpayers are not satisfied with the adjusted assessed value, they can file a formal abatement, which includes filling out the form and finding comparable properties to submit with the request, along with a copy of an appraisal if they have a recent one. The appraiser will then make a recommendation to the Board, and if still not in agreement with the Board's decision, can file an appeal to the BTLA. Waddell suggested that taxpayers check the tax card to be sure it accurately portrays the property. Lutz advised that March 1 is the deadline to file an abatement with the town.

b) July 4th Budgets – Selectman Lefebvre brought up a concern about the 4th of July budget, which includes \$5,306 for Patriotic Purposes, which is mostly the police coverage, and \$10,000 for fireworks which is on a warrant article. Lefebvre stated that he believes the cost should be covered by donations and not tax dollars and should be the responsibility of the sponsors. Lefebvre asked who the chair was for the committee and was advised it was Nathan Corrigan. It was suggested that the police coverage could be billed to the host, as it is done for other events.

c) Transfer Station Fees and Stickers – TM Frost gave the Board the fee schedules that other transfer stations use. The Board will take a look at them and discuss options at the next meeting. Stickers for property owners to put on their vehicles was suggested, as a way to be sure we know they are the only ones using it and as a way to let people know what the rules are. Stickers could be picked up at the Town Clerk's office. TM Frost advised that when they instituted stickers in Madison, they had some issues, so they ended up adding the license plate number to the sticker. Adam White mentioned that names be put on the stickers, and TM Frost also suggested that a sticker could be given for each vehicle. Several towns charge per item, and it was discussed that the town is responsible for removing the Freon from any refrigeration units that are dropped off, and is charged if a resident brings it to AVRDD. It was also suggested that the town garage be made more accessible with expanded hours.

4. Old Business/Updates:

a) Gorham Paper & Tissue – TM Frost advised that the tax agreement has been signed by the mill. They will be paying \$7,500 a week from now until January, \$15,000 a week from January until March, then \$25,000 per week until the 2017 taxes are paid in full, which will be in July. After that the taxes will be kept current, and will generate interest if they are not.

On a motion by Selectman Lefebvre, seconded by Selectman Waddell, the Board voted unanimously to accept the payment agreement with Gorham Paper and Tissue.

The agreement was signed by Chairman Oliver.

b) Fire Ponds in Stony Brook – TM Frost advised that due to the storm damage, the work has not been started yet.

c) Cascade Playground – TM Frost advised the playground is done and will not be on the next agenda.

d) Complete Road Improvement Plan – TM Frost advised this is due on December 1.

e) Spring Road Culvert – TM Frost has an estimated cost on this. Chris Fournier will be asked to attend the next meeting to go over the plans. The total cost is \$621,806.84. The mitigation grant will cover \$260,289.00. NH DOT will cover \$283,894.27. The town's portion is \$77,623.57. The preliminary engineering will need to be approved through DOT and then they will get the bid out so they can start construction next year.

f) Eversource Property Purchase – TM Frost advised the next public hearing is Monday night, and the Board will vote on November 27.

g) Alternate OHRV Trailhead – TM Frost advised there is nothing new.

h) Storm Damage/FEMA Declaration – TM Frost advised FEMA came and reviewed the areas in town. They did not go to the end of White Birch Lane, which had a little damage, and can be added. HEB has given a proposal for \$2000 to do a project overview for the intake for the pool at Libby's. TM Frost advised that FEMA, Buddy Holmes, Jeff Stewart, and DES need to look at the area and determine what needs to be done. However, there were no permits when it was put in place. There is also enough erosion of the riverbank that another storm may cause the loss of the soccer field and the FEMA work that has already been done.

On a motion by Selectman Waddell, seconded by Selectman Lefebvre, the Board voted unanimously to approve the HEB project overview for Libby Pool and the field in the amount of \$2000.

i) Tax Warrant – TM Frost had a copy of the tax warrant in the amount of \$4,833,999.93. The bills will be due on December 18. The warrant was signed by the Board. Tax bills will be sent out this week.

5. Public Comment:

Mary White asked then when the town puts out an RFP for the assessments next time, it should be a requirement for them to go to each property and make contact.

6. Other Business:

a) Town Manager's Update – TM Frost advised she did not have anything.

b) Selectmen's Updates –

Selectman Waddell asked for information from Chief Watkins and TM Frost advised that she received an email from him today. Frost will forward the email to the Board.

Selectman Waddell asked Frost to follow up and clarify what Chief Watkins said about not rating well for grants based on our tax rate.

Selectman Waddell asked about the Lead Mtn LLC abatement request and if Sansoucy had been contacted for a second opinion. Frost advised that she did not have that yet.

Selectman Waddell asked about the CMA study at Public Works. TM Frost will check on that. Selectman Lefebvre asked if we will have it before the vote, or at least before the budget process.

Selectman Lefebvre asked about the paving in Cascade Flats. TM Frost advised that Fairpoint said they would take care of it.

Selectman Lefebvre asked if there were any updates from Code Enforcement. TM Frost advised there were not. Lefebvre stated that the Reed's house in Cascade Flats is still an issue, along with Glen Road, and the unregistered vehicles on the Berlin-Gorham Road.

Selectman Lefebvre also suggested that the Fire Department should implement inspection fees.

c) Approval of Minutes (October 30, 2017 and November 6, 2017)

On a motion by Selectman Waddell, seconded by Selectman Lefebvre, the Board voted unanimously to accept the minutes of October 30 and November 6, 2017 as presented.

Selectman Waddell asked about the non-public minutes, which TM Frost will do.

d) Sign Manifest; Abatements and Exemptions (if necessary)

7. Non-public Session: RSA 91-A:3, II- a

On a motion by Selectman Lefebvre, seconded by Chairman Oliver, the Board unanimously voted by roll call to move to non-public session to discuss a personnel issue at 8:35 pm. Oliver – Aye, Waddell – Aye, Lefebvre - Aye.

On a motion by Selectman Waddell, seconded by Chairman Oliver, the Board voted unanimously by roll call to come out of non-public session at 9:05 pm. Oliver – Aye, Waddell – Aye, Lefebvre - Aye.

Minutes of non-public session are available separately.

8. Adjournment: On a motion by Chairman Oliver, seconded by Selectman Waddell, the Board voted unanimously to adjourn the meeting.

The meeting was adjourned at 9:05 pm.

REVIEWED AND APPROVED:

Terry Oliver

Patrick Lefebvre

Michael Waddell

