

SELECT BOARD MEETING AGENDA

DATE: Monday, March 13, 2017 at 6:30 pm
HELD: Public Safety Complex (2nd Floor Meeting Room) 20 George Bennett Rd, Lee

The Select Board reserves the right to make changes as deemed necessary during the meeting. Public Comment limited to 3 minutes.

1. Call meeting to Order – 6:30 pm
2. Public Comment
3. Bill Cote, McGregor Memorial EMS - 50th Anniversary of McGregor
4. Vachon & Clukay – FY16 Audit Report Review
5. Larry Kindberg, Recreation Commission Chair – Rec Commission Authority
 - a. Request that the Board grant the Rec Commission authority to exercise power and responsibilities as outlined in RSA 35-B:3.
 - b. Review Recreation Commission's request that the Memorandum of Understanding with ORYA be between the Lee Recreation Commission and ORYA
6. Scott Nemet, Fire Chief – Installations of an AED at LRP
Request permission to allow Zack Smith to install an AED at Little River Park as part of his Eagle Scout Project. The AED will be fully funded by the project.
7. Julie Glover, Town Administration
 - a. MRI Assessing Contract
 - b. Facilities Committee Public Forum mailer – Letter from Trustees of Trust
 - c. Miscellaneous

8. Motion to accept the Consent Agenda as presented:

SIGNATURES REQUIRED

Veterans Tax Credit (2)
Abatements (5)
Office Closing Procedures
Letter to NH DOT re: Rte. 155 & 125 Intersection

INFORMATION ONLY

LRP Work Plan

Individual items may be removed by any Select Board member for separate discussion and vote.

9. Motion to accept Manifest #18 and Weeks Payroll Ending March 12, 2017.
10. Motion to enter into Non-Public Session – NH RSA 91-A:3 II (a) & (c) **Roll Call Vote required**
11. Motion to seal the Non-Public Session Minutes (if necessary.) **Roll Call Vote required.**
12. Miscellaneous/Unfinished Business
13. Adjournment

Posted: Town Hall, Public Safety Complex, Public Library and on leenh.org on March 10, 2017

Individuals needing assistance or auxiliary communication equipment due to sensory impairment or other disabilities should contact the Town Office at 659-5414. Please notify the town six days prior to any meeting so we are able to meet your needs.

TOWN OF LEE, NEW HAMPSHIRE

Financial Statements

June 30, 2016

and

Independent Auditor's Report

**TOWN OF LEE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
June 30, 2016**

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---|----------------|
| INDEPENDENT AUDITOR'S REPORT | |
| BASIC FINANCIAL STATEMENTS | |
| EXHIBITS: | |
| A Statement of Net Position | 1 |
| B Statement of Activities | 2 |
| C Balance Sheet – Governmental Funds | 3 |
| C-1 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 4 |
| D Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 5 |
| D-1 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 6 |
| E Statement of Fiduciary Net Position – Fiduciary Funds | 7 |
| F Statement of Changes in Fiduciary Net Position – Fiduciary Funds | 8 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 9-25 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| SCHEDULES: | |
| 1 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund | 26 |
| 2 Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability | 27 |
| 3 Schedule of Town Contributions | 28 |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION | 29-30 |
| SUPPLEMENTAL SCHEDULES | |
| SCHEDULES: | |
| A Combining Balance Sheet – Governmental Funds – All Nonmajor Funds | 31 |
| B Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – All Nonmajor Funds | 32 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Lee, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lee, New Hampshire (the "Town"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly, the financial position of the governmental activities of the Town of Lee, New Hampshire, as of June 30, 2016, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Lee, New Hampshire, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in the Town’s proportionate share of the net pension liability, and the schedule of Town contributions on pages 26-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lee, New Hampshire's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Vachon Chakay & Company PC

Manchester, New Hampshire
February 6, 2017

EXHIBIT A
TOWN OF LEE, NEW HAMPSHIRE
Statement of Net Position
June 30, 2016

| | Governmental <u>Activities</u> |
|--|-----------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and cash equivalents | \$ 7,952,654 |
| Investments | 1,692,899 |
| Taxes receivable, net | 322,516 |
| Accounts receivable | 48,635 |
| Due from other governments | 1,244 |
| Prepaid expenses | <u>10,287</u> |
| Total Current Assets | <u>10,028,235</u> |
| Noncurrent Assets: | |
| Capital assets: | |
| Non-depreciable capital assets | 8,861,908 |
| Depreciable capital assets, net | <u>4,448,533</u> |
| Total Noncurrent Assets | <u>13,310,441</u> |
| Total Assets | <u>23,338,676</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pensions | <u>183,152</u> |
| Total Deferred Outflows of Resources | <u>183,152</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | 122,794 |
| Accrued expenses | 63,941 |
| Current portion of bonds payable | <u>90,000</u> |
| Total Current Liabilities | <u>276,735</u> |
| Noncurrent Liabilities: | |
| Bonds payable | 570,000 |
| Compensated absences payable | 123,084 |
| Net pension liability | <u>2,081,913</u> |
| Total Noncurrent Liabilities | <u>2,774,997</u> |
| Total Liabilities | <u>3,051,732</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property taxes collected in advance | 4,698,368 |
| Deferred inflows of resources related to pensions | <u>202,723</u> |
| Total Deferred Inflows of Resources | <u>4,901,091</u> |
| NET POSITION | |
| Net investment in capital assets | 12,650,441 |
| Restricted | 171,930 |
| Unrestricted | <u>2,746,634</u> |
| Total Net Position | <u>\$ 15,569,005</u> |

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF LEE, NEW HAMPSHIRE
Statement of Activities
For the Year Ended June 30, 2016

| Functions/Programs | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|---|---------------------|---------------------------------|---|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | |
| Governmental Activities: | | | | | |
| General government | \$ 1,186,609 | \$ 2,176 | \$ 1,152 | | \$ (1,183,281) |
| Public safety | 1,239,715 | 91,876 | 4,377 | \$ 13,994 | (1,129,468) |
| Highways and streets | 345,673 | | 117,042 | | (228,631) |
| Sanitation | 354,505 | 69,998 | | | (284,507) |
| Health and welfare | 30,918 | | | | (30,918) |
| Culture and recreation | 263,323 | | 15,654 | | (247,669) |
| Conservation | 2,714 | | 2,150 | | (564) |
| Interest and fiscal charges | 26,900 | | | | (26,900) |
| Total governmental activities | <u>\$ 3,450,357</u> | <u>\$ 164,050</u> | <u>\$ 140,375</u> | <u>\$ 13,994</u> | <u>(3,131,938)</u> |
| General revenues: | | | | | |
| Property and other taxes | | | | | 2,426,766 |
| Licenses and permits | | | | | 843,921 |
| Grants and contributions: | | | | | |
| Rooms and meals tax distribution | | | | | 208,417 |
| Interest and investment earnings | | | | | 27,224 |
| Miscellaneous | | | | | 134,436 |
| Contributions to permanent fund principal | | | | | 1,400 |
| Total general revenues and contributions to permanent fund principal | | | | | <u>3,642,164</u> |
| Change in net position | | | | | 510,226 |
| Net position at beginning of year | | | | | <u>15,058,779</u> |
| Net position at end of year | | | | | <u>\$ 15,569,005</u> |

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF LEE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
June 30, 2016

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|-----------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,879,371 | \$ 73,283 | \$ 7,952,654 |
| Investments | 1,236,735 | 456,164 | 1,692,899 |
| Taxes receivable, net | 322,516 | | 322,516 |
| Accounts receivable | 9,428 | 16,522 | 25,950 |
| Due from other governments | 1,244 | | 1,244 |
| Due from other funds | 34,902 | 75,571 | 110,473 |
| Prepaid expenses | 10,287 | | 10,287 |
| Total Assets | <u>9,494,483</u> | <u>621,540</u> | <u>10,116,023</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total Deferred Outflows of Resources | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ 9,494,483</u> | <u>\$ 621,540</u> | <u>\$ 10,116,023</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 122,794 | | \$ 122,794 |
| Accrued expenses | 51,457 | \$ 3,806 | 55,263 |
| Due to other funds | 75,571 | 12,217 | 87,788 |
| Total Liabilities | <u>249,822</u> | <u>16,023</u> | <u>265,845</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property taxes collected in advance | 4,698,368 | | 4,698,368 |
| Uncollected property taxes | 314,633 | | 314,633 |
| Total Deferred Inflows of Resources | <u>5,013,001</u> | <u>-</u> | <u>5,013,001</u> |
| FUND BALANCES | | | |
| Nonspendable | 10,287 | 113,110 | 123,397 |
| Restricted | 9,984 | 48,836 | 58,820 |
| Committed | 2,015,619 | 436,635 | 2,452,254 |
| Assigned | 171,615 | 6,936 | 178,551 |
| Unassigned | 2,024,155 | | 2,024,155 |
| Total Fund Balances | <u>4,231,660</u> | <u>605,517</u> | <u>4,837,177</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 9,494,483</u> | <u>\$ 621,540</u> | <u>\$ 10,116,023</u> |

See accompanying notes to the basic financial statements

EXHIBIT C-1
TOWN OF LEE, NEW HAMPSHIRE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016

| | |
|---|----------------------|
| Total Fund Balances - Governmental Funds (Exhibit C) | \$ 4,837,177 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 13,310,441 |
| Property taxes are recognized on an accrual basis in the statement of net position, not the modified accrual basis | 314,633 |
| Deferred outflows of resources and deferred inflows of resources that do not require or provide the use of current financial resources are not reported within the funds. | |
| Deferred outflows of resources attributable to net pension liability | 183,152 |
| Deferred inflows of resources attributable to net pension liability | (202,723) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of: | |
| Accrued interest on long-term obligations | (8,678) |
| Bonds payable | (660,000) |
| Compensated absences payable | (123,084) |
| Net pension liability | <u>(2,081,913)</u> |
| Net Position of Governmental Activities (Exhibit A) | <u>\$ 15,569,005</u> |

See accompanying notes to the basic financial statements

EXHIBIT D
TOWN OF LEE, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|-----------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$ 2,317,880 | \$ 68,150 | \$ 2,386,030 |
| Licenses and permits | 843,921 | | 843,921 |
| Intergovernmental | 339,982 | | 339,982 |
| Charges for services | 78,868 | 85,182 | 164,050 |
| Interest and investment income | 22,159 | 5,065 | 27,224 |
| Miscellaneous | 95,423 | 8,217 | 103,640 |
| Total Revenues | <u>3,698,233</u> | <u>166,614</u> | <u>3,864,847</u> |
| Expenditures: | | | |
| Current operations: | | | |
| General government | 1,105,078 | | 1,105,078 |
| Public safety | 1,203,153 | 69,391 | 1,272,544 |
| Highways and streets | 470,342 | | 470,342 |
| Sanitation | 331,991 | | 331,991 |
| Health and welfare | 30,918 | | 30,918 |
| Culture and recreation | 258,723 | 2,488 | 261,211 |
| Conservation | 2,714 | | 2,714 |
| Capital outlay | 488,405 | | 488,405 |
| Debt service: | | | |
| Principal retirement | 90,000 | | 90,000 |
| Interest and fiscal charges | 28,643 | | 28,643 |
| Total Expenditures | <u>4,009,967</u> | <u>71,879</u> | <u>4,081,846</u> |
| Net change in fund balances | (311,734) | 94,735 | (216,999) |
| Fund balances at beginning of year, as restated | <u>4,543,394</u> | <u>510,782</u> | <u>5,054,176</u> |
| Fund balances at end of year | <u>\$ 4,231,660</u> | <u>\$ 605,517</u> | <u>\$ 4,837,177</u> |

See accompanying notes to the basic financial statements

EXHIBIT D-1
TOWN OF LEE, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016

| | |
|---|-------------------|
| Net Change in Fund Balances - Governmental Funds (Exhibit D) | \$ (216,999) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period | 415,929 |
| Repayment of not principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 90,000 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 95,736 |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | 55,388 |
| In the statement of activities, interest is accrued on outstanding bonds payable, whereas in governmental funds, an interest expenditure is reported when due. | 1,743 |
| Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension expense reflects the change in the net pension liability and related deferred outflows and inflows of resources, and do not require the use of current financial resources. This is the amount by which pension contributions exceeded pension expense in the current period. | <u>68,429</u> |
| Change in Net Position of Governmental Activities (Exhibit B) | <u>\$ 510,226</u> |

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF LEE, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

| | Private- Purpose <u>Trusts</u> | Agency <u>Funds</u> |
|--------------------------------------|--------------------------------------|------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,125 | \$ 143,062 |
| Investments | <u>53,609</u> | |
| Total Assets | <u>54,734</u> | <u>143,062</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Total Deferred Outflows of Resources | <u>-</u> | |
| LIABILITIES | | |
| Due to others | | \$ 120,377 |
| Due to other funds | | <u>22,685</u> |
| Total Liabilities | <u>-</u> | <u>143,062</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Total Deferred Inflows of Resources | <u>-</u> | |
| NET POSITION | | |
| Held in trust | <u>54,734</u> | |
| Total Net Position | <u>\$ 54,734</u> | |

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF LEE, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

| | Private- Purpose <u>Trusts</u> |
|---|--------------------------------------|
| ADDITIONS: | |
| Investment earnings: | |
| Investment income | 932 |
| Total Additions | <u>932</u> |
| DEDUCTIONS: | |
| Total Deductions | <u>-</u> |
| Change in Net Position | 932 |
| Net Position - beginning of year, as restated | <u>53,802</u> |
| Net Position - end of year | <u>\$ 54,734</u> |

See accompanying notes to the basic financial statements

**TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016**

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Lee, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Town of Lee, New Hampshire (the “Town”) was incorporated in 1766. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions as authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The Town’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

2. Fund Financial Statements:

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of two categories of funds: governmental and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Town's major governmental fund:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. The private-purpose trust funds are used to account for assets held by the Town under a trust agreement for the benefit of individuals and private organizations and are therefore not available to support the Town's own programs. The Town's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Town's agency funds consist of escrow deposits.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

The private purpose trust funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 10). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

3. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended June 30, 2016, the Town applied \$450,000 of its unappropriated fund balance to reduce taxes.

Investments

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included as investments.

Taxes Receivable

Taxes levied during the current year and prior and uncollected at June 30, 2016 are recorded as receivables net of reserves for estimated uncollectibles of \$40,000.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Town maintains a capitalization threshold of \$5,000. The Town's infrastructure consists of roads, bridges, sidewalks, and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land, easements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| | <u>Description</u> | <u>Years</u> |
|--|----------------------------|--------------|
| | Infrastructure | 10-30 |
| | Buildings and improvements | 15-30 |
| | Vehicles and equipment | 5-15 |

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

Compensated Absences

Employees earn vacation and sick leave as they provide services. Pursuant to the Town personnel policy, employees may accumulate (subject to certain limitations) unused vacation and sick leave and, upon retirement, resignation or death will be compensated for such amounts at current rates of pay.

For governmental fund financial statements, compensated absences and accrued retirement benefits are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

Except for the obligation for other post-employment benefits (see Note 2), all payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds. Long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Policy

Under GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The components of fund balance are defined as follows:

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

- *Nonspendable Fund Balance*: Amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted Fund Balance*: Amounts constrained to specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers or by the enabling legislation.
- *Committed Fund Balance*: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned Fund Balance*: Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*: Amounts that are available for any purpose; these amounts are reported only in the General Fund, except for any deficit fund balance of another governmental fund.

Spending Prioritizations

In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

Minimum Level of Unassigned Fund Balance

The Board of Selectmen will strive to maintain an unassigned fund balance in the General Fund equal to 12% of the Town's total annual appropriation. The Board will review this information each year in order to determine the amount, if any, of unassigned fund balance to use to balance the budget and/or to reduce the property tax rate.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

The Town has not implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the Town during the year ended June 30, 2010.

NOTE 3—DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

| | |
|--------------------------------------|---------------------|
| Cash and cash equivalents | \$ 7,952,654 |
| Investments | 1,692,899 |
| Statement of Fiduciary Net Position: | |
| Cash and cash equivalents | 144,187 |
| Investments | <u>53,609</u> |
| Total deposits and investments | <u>\$ 9,843,349</u> |

Deposits and investments as of June 30, 2016 consist of the following:

| | |
|--------------------------------------|---------------------|
| Cash on hand | \$ 1,791,382 |
| Deposits with financial institutions | <u>8,051,967</u> |
| Total deposits and investments | <u>\$ 9,843,349</u> |

The Town's investment policy for governmental funds requires that deposits be made in federally insured banks chartered under the laws of the State of New Hampshire or the federal government with a branch within the State of New Hampshire. The Town limits its investments for governmental funds to the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool in accordance with New Hampshire State law, federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the State, or federally insured banks outside the State if such banks pledge and deliver to a third party custodial bank or the federal reserve bank collateral security for such deposits of the following types: money market accounts, certificates of deposit, obligations fully guaranteed as to principal and interest by the United States Government, or obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case. Responsibility for the investments of the Trust Funds and Library is with the Board of Trustees and Library Board of Trustees, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more its fair value becomes sensitive to changes in market interest rates. The Town's investment policy for governmental funds regarding

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

interest rate risk indicates that safety and liquidity are the primary objectives. Investments shall be limited to those with maturity dates which meet projected cash flow needs, 18 months or fewer.

The Trustees of Trust Funds and Library Trustees do not have a policy regarding interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town's investment policy regarding credit risk is to minimize credit risk by limiting its investments to the safest types of securities and diversifying the portfolio.

The Trustees of Trust Funds and Library Trustees do not have a policy regarding credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. For assurance against custodial credit risk, the Town's investment policies require that all deposits with financial institutions be collateralized with pledged securities having a market value at least equal to 102% of the amount deposited or invested, less any portion covered by federal depository insurance.

The Trustees of Trust Funds and Library Trustees do not have a policy regarding custodial credit risk.

Of the Town's deposits with financial institutions at year end, \$5,317,477 was collateralized by securities held by the bank in the Town's name.

NOTE 4—CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental activities:

| | Balance, as restated <u>7/1/2015</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>6/30/2016</u> |
|--|--|------------------|-------------------|-----------------------------|
| Governmental activities: | | | | |
| Capital assets not depreciated: | | | | |
| Land | \$ 1,481,788 | | | \$ 1,481,788 |
| Easements | <u>7,380,120</u> | | | <u>7,380,120</u> |
| Total capital assets not being depreciated | <u>8,861,908</u> | <u>\$ -</u> | <u>\$ -</u> | <u>8,861,908</u> |

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

| | | | |
|---|----------------------|-------------------|----------------------|
| Other capital assets: | | | |
| Infrastructure | 5,613,155 | 163,428 | 5,776,583 |
| Buildings and improvements | 2,527,230 | 56,300 | 2,583,530 |
| Vehicles and equipment | 1,662,218 | 533,092 | (65,000) |
| Total other capital assets at historical cost | <u>9,802,603</u> | <u>752,820</u> | <u>(65,000)</u> |
| Less accumulated depreciation for: | | | |
| Infrastructure | (3,565,405) | (101,923) | (3,667,328) |
| Buildings and improvements | (961,534) | (96,010) | (1,057,544) |
| Vehicles and equipment | (1,298,060) | (83,958) | 65,000 |
| Total accumulated depreciation | <u>(5,824,999)</u> | <u>(281,891)</u> | <u>65,000</u> |
| Total other capital assets, net | 3,977,604 | 470,929 | - |
| Total capital assets, net | <u>\$ 12,839,512</u> | <u>\$ 470,929</u> | <u>\$ -</u> |
| | | | <u>\$ 13,310,441</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|-------------------|
| General government | \$ 91,409 |
| Public safety | 117,947 |
| Highways and streets | 43,861 |
| Sanitation | 25,235 |
| Culture and recreation | 3,439 |
| Total governmental activities depreciation expense | <u>\$ 281,891</u> |

NOTE 5—LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town's long-term obligations for the year ended June 30, 2016 are as follows:

| | Balance <u>7/1/2015</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>6/30/2016</u> | Due Within <u>One Year</u> |
|-------------------------------|----------------------------|------------------|---------------------|-----------------------------|-------------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 750,000 | | \$ (90,000) | \$ 660,000 | \$ 90,000 |
| Compensated absences | 178,472 | \$ 11,833 | (67,221) | 123,084 | |
| Total governmental activities | <u>\$ 928,472</u> | <u>\$ 11,833</u> | <u>\$ (157,221)</u> | <u>\$ 783,084</u> | <u>\$ 90,000</u> |

Payments on the bonds and compensated absences are paid out of the General Fund.

Bonds Payable

Bonds payable at June 30, 2016 are comprised of the following individual issues:

| | Original Issue Amount | Interest Rate | Final Maturity Date | Balance at <u>6/30/2016</u> |
|----------------------------|-----------------------------|------------------|---------------------------|--------------------------------|
| Public Safety Complex Bond | \$ 1,200,000 | 3.70 - 4.40% | September 2022 | \$ 420,000 |
| Transfer Station Bond | 600,000 | 3.54% | August 2023 | 240,000 |
| | | | | <u>\$ 660,000</u> |

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

Debt service requirements to retire bonds payable outstanding at June 30, 2016 are as follows:

| Year Ending <u>June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|-------------------------------|-------------------|------------------|-------------------|
| 2017 | \$ 90,000 | \$ 25,838 | \$ 115,838 |
| 2018 | 90,000 | 21,978 | 111,978 |
| 2019 | 90,000 | 17,873 | 107,873 |
| 2020 | 90,000 | 13,963 | 103,963 |
| 2021 | 90,000 | 10,004 | 100,004 |
| 2022-2024 | <u>210,000</u> | <u>7,944</u> | <u>217,944</u> |
| | <u>\$ 660,000</u> | <u>\$ 97,600</u> | <u>\$ 757,600</u> |

NOTE 6—DEFINED BENEFIT PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a component unit of the State of New Hampshire, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. The New Hampshire Retirement System is a public employee retirement system that administers a single cost-sharing multiple-employer defined benefit pension plan. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature.

The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan.

The Pension Plan is divided into two membership groups. State and local employees and teachers belong to Group I. Police and firefighters belong to Group II. All assets are held in a single trust and are available to pay retirement benefits to all members.

Benefits Provided

Group I members at age 60 or 65 (for members who commence service after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final salary for the highest of either three or five years, depending on when their service commenced. The yearly pension amount is 1/60 or 1.667% of average final compensation (AFC), multiplied by years of creditable service. At age 65, the yearly pension amount is recalculated at 1/66 or 1.515% of AFC multiplied by years of creditable service.

Group II members who are age 60, or members who are at least age 45 with at least 20 years of creditable service, can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service,

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

not to exceed 40 years. Members commencing service on or after July 1, 2011 or members who have a non-vested status as of January 1, 2012 can receive a retirement allowance at age 52.5 with 25 years of service or age 60. The benefit shall be equal to 2% of AFC times creditable service up to 42.5 years. However, a member who commenced service on or after July 1, 2011 shall not receive a retirement allowance until attaining the age of 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service where the allowance shall be reduced, for each month by which the benefit commencement date precedes the month after which the member attains 52.5 years of age by 1/4 of 1% or age 60.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

Funding Policy

Covered police officers and fire employees are required to contribute 11.55% and 11.80%, respectively of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers, fire employees, and general employees were 22.54%, 25.32%, and 10.86%, respectively. The Town contributes 100% of the employer cost for police officers, fire employees, and general employees of the Town.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the year ending June 30, 2016 was \$183,152.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Town reported a liability of \$2,081,913 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by a roll forward of the actuarial valuation from June 30, 2014. The Town's proportion of the net pension liability was based on actual contributions by the Town during the relevant fiscal year relative to the actual contributions of all participating plan members, excluding contributions to separately finance specific liabilities of individual employers or NHRS. At June 30, 2015, the Town's proportion was approximately 0.0526 percent, which was a decrease of 0.0026 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized pension expense of \$111,018. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience | | \$ 45,685 |
| Net difference between projected and actual earnings on pension plan investments | | 55,642 |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | | 101,396 |
| Town contributions subsequent to the measurement date | <u>\$ 183,152</u> | <u> </u> |
| Total | <u>\$ 183,152</u> | <u>\$ 202,723</u> |

The net amount of deferred outflows of resources and deferred inflows of resources related to pensions is reflected as a decrease to unrestricted net position in the amount of \$19,571. The Town reported \$183,152 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ending <u>June 30</u> | |
|-------------------------------|---------------------|
| 2017 | \$ (63,582) |
| 2018 | (63,582) |
| 2019 | (63,582) |
| 2020 | 445 |
| 2021 | <u>(12,422)</u> |
| | <u>\$ (202,723)</u> |

Actuarial Assumptions

The total pension liability was determined by a roll forward of the actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to 2015 measurements:

| | |
|---------------------------|---|
| Inflation | 3.0 percent |
| Wage inflation | 3.75 percent |
| Salary increases | 5.8 percent, average, including inflation |
| Investment rate of return | 7.75 percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2000 mortality table projected to 2020 with Scale AA. The table includes a margin of 15% for men and 17% for women for mortality improvements. Retirement rates

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

were based on a table of rates that are specific to the type of eligibility condition, last updated in 2011 pursuant to an experience study of the period July 1, 2005 – June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of weighted average long-term expected real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Net of inflation assumption of 3.0%)</u> |
|----------------------|--------------------------|--|
| Fixed income | 25% | (1.00)-0.28% |
| Domestic equity | 30% | 3.00% |
| International equity | 20% | 4.00-6.00% |
| Real estate | 10% | 3.50% |
| Private equity | 5% | 5.50% |
| Private debt | 5% | 4.50% |
| Opportunistic | 5% | 2.75% |
| Total | <u>100%</u> | |

Discount Rate

The discount rate used to measure the collective pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate:

| | <u>1% Decrease (6.75%)</u> | <u>Current Discount Rate (7.75%)</u> | <u>1% Increase (8.75%)</u> |
|---|--------------------------------|--|--------------------------------|
| Town's proportionate share of the net pension liability | \$ 2,740,568 | \$ 2,081,913 | \$ 1,520,406 |

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

NOTE 7—RESTRICTED NET POSITION

Net position is restricted for specific purposes at June 30, 2016 as follows:

| | |
|---|-------------------|
| Permanent Funds - Principal | \$ 113,110 |
| Permanent Funds - Income | 48,691 |
| Library | 9,197 |
| Joint loss safety and health incentive programs | 787 |
| Police | 145 |
| | <u>\$ 171,930</u> |

NOTE 8—INTERFUND BALANCES AND TRANSFERS

The Town has combined cash resources for the General Fund and Nonmajor Governmental Funds. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at June 30, 2016 are as follows:

| | Due From | | | Totals |
|-----------------------------|------------------|-----------------------------------|------------------|-------------------|
| | General Fund | Nonmajor Governmental Funds | Agency Funds | |
| Due To: General Fund | | \$ 12,217 | \$ 22,685 | \$ 34,902 |
| Nonmajor Governmental Funds | <u>\$ 75,571</u> | | | <u>75,571</u> |
| | <u>\$ 75,571</u> | <u>\$ 12,217</u> | <u>\$ 22,685</u> | <u>\$ 110,473</u> |

NOTE 9—COMPONENTS OF FUND BALANCE

The components of the Town's fund balance for its governmental funds at June 30, 2016 are as follows:

| Fund Balances | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------|-----------------------------------|--------------------------------|
| Nonspendable: | | | |
| Prepaid expenses | \$ 10,287 | | \$ 10,287 |
| Permanent Fund - Principal | | \$ 113,110 | 113,110 |
| Restricted for: | | | |
| Permanent Fund - Income | | 48,691 | 48,691 |
| Joint loss safety and health incentive programs | 787 | | 787 |
| Library operations | 9,197 | | 9,197 |
| Police | | 145 | 145 |

**TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016**

| <u>Fund Balances</u> | <u>General Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|--|---|
| Committed for: | | | |
| Expendable Trusts | 1,950,423 | | 1,950,423 |
| Conservation | | 399,967 | 399,967 |
| Public safety | | 34,999 | 34,999 |
| Recreation | | 1,669 | 1,669 |
| Designated for subsequent year expenditures | 65,196 | | 65,196 |
| Assigned for: | | | |
| Lee fair | | 6,936 | 6,936 |
| Town payroll contingency | 87,539 | | 87,539 |
| Conservation | 10,476 | | 10,476 |
| Heritage commission | 22,901 | | 22,901 |
| Farmers market | 7,129 | | 7,129 |
| Encumbrances | 43,570 | | 43,570 |
| Unassigned: | | | |
| Unassigned | <u>2,024,155</u> | | <u>2,024,155</u> |
| | <u>\$ 4,231,660</u> | <u>\$ 605,517</u> | <u>\$ 4,837,177</u> |

NOTE 10—PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$420,014,895 as of April 1, 2015) and are due in two installments on July 1, 2015 and December 1, 2015. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year-end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with State law, the Town collects taxes for the Oyster River Cooperative School District and Strafford County, both independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school district. Total taxes appropriated during the year were \$8,750,904 and \$1,239,247 for the Oyster River Cooperative School District and Strafford County, respectively. These taxes are not recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes.

NOTE 11—RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2016, the Town was a member of and participated in a public entity risk pool (Trust) for property and liability insurance and worker’s compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

The Trust agreements permit the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 2016.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$5,000,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 12—CONTINGENCIES

Litigation

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. In the opinion of Town management, any potential claims against the Town which are not covered by insurance are immaterial and would not affect the financial position of the Town.

NOTE 13—RESTATEMENT OF EQUITY

Government-Wide Statements

During the year ended June 30, 2016, it was determined a special revenue fund was previously classified as a private purpose trust fund. Additionally, it was determined that deferred inflows of resources were understated, payables were overstated, receivables were understated, and the capital assets of the governmental activities were overstated. Net Position of the governmental activities as of July 1, 2015 has been restated as follows:

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2016

| | |
|--|----------------------|
| Net Position - July 1, 2015 (as previously reported) | \$ 15,373,495 |
| Amount of restatement due to: | |
| Reclassification of special revenue fund | 3,293 |
| Understatement of receivables | 2,506 |
| Overstatement of payables | 2,592 |
| Understatement of deferred inflows of resources | (2,313) |
| Overstatement of capital assets | <u>(320,794)</u> |
| Net Position - July 1, 2015, as restated | <u>\$ 15,058,779</u> |

Governmental Funds

In addition to the above restatements, it was determined the property taxes receivable of the General Fund were overstated, the interfund balance between the General Fund and Nonmajor Governmental Funds were misstated, as previously reported. Lastly, an Expendable Trust Fund with a designated revenue resource expected to continue was included within the General Fund. Fund balances of the governmental funds have been restated as of July 1, 2015, as follows:

| | General Fund | Nonmajor Governmental Funds |
|--|---------------------|-----------------------------------|
| Fund Balance - July 1, 2015 (as previously reported) | \$ 4,935,166 | \$ 177,932 |
| Amount of restatement due to: | | |
| Overstatement of taxes receivable | (65,000) | |
| Understatement of receivables | 2,506 | |
| Overstatement of payables | 2,592 | |
| Understatement of deferred inflows of resources | (2,313) | |
| Correction of interfund balance | (6,600) | 6,600 |
| Reclassification of Lee Fair Fund | | 3,293 |
| Reclassification of Land Use Expendable Trust Fund | <u>(322,957)</u> | <u>322,957</u> |
| Fund Balance - July 1, 2015, as restated | <u>\$ 4,543,394</u> | <u>\$ 510,782</u> |

Fiduciary Funds

As described above, the Lee Fair Fund was previously reported as a private purpose trust fund of the Town. Net position of the Private Purpose Trust Funds as of July 1, 2015, has been restated as follows:

| | |
|--|------------------|
| Net Position - July 1, 2015 (as previously reported) | \$ 57,095 |
| Amount of restatement due to: | |
| Reclassification of Lee Fair Fund | <u>(3,293)</u> |
| Fund Balance - July 1, 2015, as restated | <u>\$ 53,802</u> |

SCHEDULE 1
TOWN OF LEE, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget - Favorable (Unfavorable) |
|---|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 2,322,663 | \$ 2,322,663 | \$ 2,358,616 | \$ 35,953 |
| Licenses and permits | 743,000 | 743,000 | 843,921 | 100,921 |
| Intergovernmental | 317,807 | 317,807 | 339,982 | 22,175 |
| Charges for services | 95,000 | 95,000 | 78,868 | (16,132) |
| Interest and investment income | 12,000 | 12,000 | 7,169 | (4,831) |
| Miscellaneous | 45,000 | 45,000 | 78,319 | 33,319 |
| Total Revenues | <u>3,535,470</u> | <u>3,535,470</u> | <u>3,706,875</u> | <u>171,405</u> |
| Expenditures: | | | | |
| Current operations: | | | | |
| General government | 1,551,252 | 1,551,252 | 1,079,422 | 471,830 |
| Public safety | 1,035,319 | 1,035,319 | 1,216,723 | (181,404) |
| Highways and streets | 485,261 | 485,261 | 467,827 | 17,434 |
| Sanitation | 312,237 | 312,237 | 331,991 | (19,754) |
| Health and welfare | 43,166 | 43,166 | 30,918 | 12,248 |
| Culture and recreation | 228,687 | 228,687 | 182,764 | 45,923 |
| Capital outlay | 490,000 | 490,000 | 488,405 | 1,595 |
| Debt service: | | | | |
| Principal retirement | 90,000 | 90,000 | 90,000 | - |
| Interest and fiscal charges | 28,643 | 28,643 | 28,643 | - |
| Total Expenditures | <u>4,264,565</u> | <u>4,264,565</u> | <u>3,916,693</u> | <u>347,872</u> |
| Excess revenues over (under) expenditures | <u>(729,095)</u> | <u>(729,095)</u> | <u>(209,818)</u> | <u>519,277</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 515,000 | 515,000 | 488,405 | (26,595) |
| Transfers out | <u>(255,905)</u> | <u>(255,905)</u> | <u>(255,905)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>259,095</u> | <u>259,095</u> | <u>232,500</u> | <u>(26,595)</u> |
| Net change in fund balance | (470,000) | (470,000) | 22,682 | 492,682 |
| Fund balance at beginning of year | | | | |
| - Budgetary Basis | <u>2,679,915</u> | <u>2,679,915</u> | <u>2,679,915</u> | <u>-</u> |
| Fund balance at end of year | | | | |
| - Budgetary Basis | <u>\$ 2,209,915</u> | <u>\$ 2,209,915</u> | <u>\$ 2,702,597</u> | <u>\$ 492,682</u> |

See accompanying notes to the required supplementary information

SCHEDULE 2

TOWN OF LEE, NEW HAMPSHIRE

Schedule of Changes in the Town's Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2016

| | <u>For the Measurement Period Ended June 30:</u> | | |
|---|--|--------------|--------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
| Town's proportion of the net pension liability (asset) | 0.0526% | 0.0552% | 0.0556% |
| Town's proportionate share of the net pension liability (asset) | \$ 2,081,913 | \$ 2,073,694 | \$ 2,390,923 |
| Town's covered-employee payroll | \$ 1,139,484 | \$ 1,152,272 | \$ 1,165,011 |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 182.71% | 179.97% | 205.23% |
| Plan fiduciary net position as a percentage of the total pension liability | 65.47% | 66.32% | 59.81% |

See accompanying notes to the required supplementary information

SCHEDULE 3
TOWN OF LEE, NEW HAMPSHIRE
Schedule of Town Contributions
For the Year Ended June 30, 2016

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 183,152 | \$ 176,310 | \$ 179,230 | \$ 138,137 |
| Contributions in relation to the contractually required contribution | <u>(183,152)</u> | <u>(176,310)</u> | <u>(179,230)</u> | <u>(138,137)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Town's covered-employee payroll | \$ 1,122,342 | \$ 1,139,484 | \$ 1,152,272 | \$ 1,165,011 |
| Contributions as a percentage of covered-employee payroll | 16.32% | 15.47% | 15.55% | 11.86% |

See accompanying notes to the required supplementary information

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for encumbrances, non-budgetary activity, and budgetary transfers as follows:

| | Revenues and Other Financing <u>Sources</u> | Expenditures and Other Financing <u>Uses</u> |
|---|--|---|
| Per Exhibit D | \$3,698,233 | \$4,009,967 |
| Difference in property taxes meeting susceptible to accrual criteria | 40,736 | |
| Encumbrances, June 30, 2016 | | 43,570 |
| Encumbrances, June 30, 2015 | | (15,000) |
| Non-budgetary activity | (32,094) | (121,844) |
| Budgetary transfers | <u>488,405</u> | <u>255,905</u> |
| Per Schedule 1 | <u>\$4,195,280</u> | <u>\$4,172,598</u> |

NOTE 2—BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the Town's General Fund at June 30, 2016 are as follows:

| | |
|---|--------------------|
| Nonspendable: | |
| Prepaid expenses | \$ 10,287 |
| Restricted for: | |
| Joint loss safety and health incentive programs | 787 |
| Committed for: | |
| Capital reserves | 200,000 |
| Designated for subsequent year expenditures | 65,196 |
| Assigned for: | |
| Payroll contingency | 87,539 |
| Unassigned: | |
| General operations | <u>2,338,788</u> |
| | <u>\$2,702,597</u> |

TOWN OF LEE, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Year Ended June 30, 2016

NOTE 3—SCHEDULE OF CHANGES IN THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF TOWN CONTRIBUTIONS

In accordance with GASB Statement #68, *Accounting and Financial Reporting for Pensions*, the Town is required to disclose historical information for each of the prior ten years within a schedule of changes in the Town's proportionate share of the net pension liability, and schedule of Town contributions. The Town implemented the provisions of GASB Statement #68 during the year ended June 30, 2015. Accordingly, the historic information has only been presented for those years which information was readily available. Additional disclosures will be made in future years as the information becomes available.

SCHEDULE A
TOWN OF LEE, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
June 30, 2016

| | Special Revenue Funds | | | | | Total Special Revenue Funds | Permanent Funds | Combining Totals |
|---|------------------------------------|------------------------------|---------------------------------|------------------|---------------------------------|--------------------------------------|--------------------|---------------------|
| | Police Detail Revolving Fund | Police Forfeiture Fund | Recreation Revolving Fund | Lee Fair Fund | Land Use Expendable Trust | | | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 31,340 | \$ 3,305 | \$ 919 | \$ 1,956 | \$ 6 | \$ 37,526 | \$ 35,757 | \$ 73,283 |
| Investments | | | | 4,909 | 325,211 | 330,120 | 126,044 | 456,164 |
| Accounts receivable | 16,522 | | | | | 16,522 | | 16,522 |
| Due from other funds | | | 750 | 71 | 74,750 | 75,571 | | 75,571 |
| Total Assets | <u>47,862</u> | <u>3,305</u> | <u>1,669</u> | <u>6,936</u> | <u>399,967</u> | <u>459,739</u> | <u>161,801</u> | <u>621,540</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Total Deferred Outflows of Resources | - | - | - | - | - | - | - | - |
| Total Assets and Deferred Outflows of Resources | <u>\$ 47,862</u> | <u>\$ 3,305</u> | <u>\$ 1,669</u> | <u>\$ 6,936</u> | <u>\$ 399,967</u> | <u>\$ 459,739</u> | <u>\$ 161,801</u> | <u>\$ 621,540</u> |
| LIABILITIES | | | | | | | | |
| Accrued expenses | \$ 3,806 | | | | | \$ 3,806 | | \$ 3,806 |
| Due to other funds | 9,057 | \$ 3,160 | | | | 12,217 | | 12,217 |
| Total Liabilities | <u>12,863</u> | <u>3,160</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>16,023</u> | <u>\$ -</u> | <u>16,023</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Total Deferred Inflows of Resources | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | | | | | | | 113,110 | 113,110 |
| Restricted | | 145 | | | | 145 | 48,691 | 48,836 |
| Committed | 34,999 | | 1,669 | | 399,967 | 436,635 | | 436,635 |
| Assigned | | | | 6,936 | | 6,936 | | 6,936 |
| Total Fund Balances | <u>34,999</u> | <u>145</u> | <u>1,669</u> | <u>6,936</u> | <u>399,967</u> | <u>443,716</u> | <u>161,801</u> | <u>605,517</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 47,862</u> | <u>\$ 3,305</u> | <u>\$ 1,669</u> | <u>\$ 6,936</u> | <u>\$ 399,967</u> | <u>\$ 459,739</u> | <u>\$ 161,801</u> | <u>\$ 621,540</u> |

SCHEDULE B
TOWN OF LEE, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Funds
For the Year Ended June 30, 2016

| | Special Revenue Funds | | | | | | Permanent Funds | Combining Totals |
|------------------------------------|------------------------------------|------------------------------|---------------------------------|------------------|---------------------------------|--------------------------------------|--------------------|---------------------|
| | Police Detail Revolving Fund | Police Forfeiture Fund | Recreation Revolving Fund | Lee Fair Fund | Land Use Expendable Trust | Total Special Revenue Funds | | |
| Revenues: | | | | | | | | |
| Taxes | | | | | \$ 68,150 | \$ 68,150 | | \$ 68,150 |
| Charges for services | \$ 85,182 | | | | | 85,182 | | 85,182 |
| Interest and investment income | 54 | \$ 16 | \$ 1 | \$ 64 | 2,260 | 2,395 | \$ 2,670 | 5,065 |
| Miscellaneous | | | 750 | 6,067 | | 6,817 | 1,400 | 8,217 |
| Total Revenues | <u>85,236</u> | <u>16</u> | <u>751</u> | <u>6,131</u> | <u>70,410</u> | <u>162,544</u> | <u>4,070</u> | <u>166,614</u> |
| Expenditures: | | | | | | | | |
| Current operations: | | | | | | | | |
| Public safety | 69,391 | | | | | 69,391 | | 69,391 |
| Culture and recreation | | | | 2,488 | | 2,488 | | 2,488 |
| Total Expenditures | <u>69,391</u> | <u>-</u> | <u>-</u> | <u>2,488</u> | <u>-</u> | <u>71,879</u> | <u>-</u> | <u>71,879</u> |
| Net change in fund balances | 15,845 | 16 | 751 | 3,643 | 70,410 | 90,665 | 4,070 | 94,735 |
| Fund balances at beginning of year | <u>19,154</u> | <u>129</u> | <u>918</u> | <u>3,293</u> | <u>329,557</u> | <u>353,051</u> | <u>157,731</u> | <u>510,782</u> |
| Fund balances at end of year | <u>\$ 34,999</u> | <u>\$ 145</u> | <u>\$ 1,669</u> | <u>\$ 6,936</u> | <u>\$ 399,967</u> | <u>\$ 443,716</u> | <u>\$ 161,801</u> | <u>\$ 605,517</u> |

February 6, 2017

To the Board of Selectmen
Town of Lee, New Hampshire

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lee, New Hampshire for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Lee, New Hampshire are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Town of Lee, New Hampshire during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Governmental Activities and each major fund financial statements were:

Management's estimate of the allowance for uncollectible taxes is based on taxpayer bankruptcies, abatements subsequently issued, historical collection levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole. Additionally, management's estimates for the useful lives of capital assets is based on historical utilization, necessary improvements and replacements. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please see the attached schedule of material adjustments detected and corrected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 6, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town of Lee, New Hampshire's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Lee, New Hampshire's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we noted certain deficiencies in the Town of Lee, New Hampshire's internal control that we considered to be material weaknesses. See the separately issued Report on Internal Controls dated February 6, 2017 for further information regarding the identified deficiencies.

Other Matters

We applied certain limited procedures to the budgetary comparison information, schedule of changes in the Town's proportionate share of the net pension liability, and the schedule of Town contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor governmental fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Selectmen and management of the Town of Lee, New Hampshire and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vachon Clukay & Company PC

Town of Lee, New Hampshire
For the year ended June 30, 2016
Material Audit Adjustments

The following is a listing of the Material Audit Adjustments made for the year ended June 30, 2016:

General Fund:

- To restore prior year audited fund balance and the related balance sheet accounts in the amount of \$7,219,942.
- To adjust the liability for school and county taxes in the amount of \$9,990,151.
- To remove the liability for employee share of health and dental insurance from expenditures in the amount of \$373,339.
- To record current year expenditures for the purchase of the fire truck in the amount of \$430,000.
- To adjust property taxes receivable to actual in the amount of \$12,308,916.
- To record a liability to the Land Use Change Expendable Trust Fund for 50% of current year land use change taxes collected in the amount of \$65,150.

Nonmajor Governmental Funds:

- To record a receivable from the General Fund for 50% of the current year land use change tax collections in the amount of \$65,150.

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Selectmen
Town of Lee, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lee, New Hampshire (the "Town") as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the Town's internal control to be material weaknesses:

GENERAL LEDGER REPORTING

Observation

During our audit of the 2016 financial records, we were required to make in excess of 30 audit adjustments to the Town's General Fund in order for the information to be reported in conformity with accounting principles generally accepted in the United States of America. This resulted in an increase to the net change in fund balance of \$2,124,767.

Implication

Controls over the financial activities of the Town are weakened as the accounting system is not being properly utilized to record the financial activity of the Town. In addition, financial decisions may be made on incomplete or incorrect financial data.

Also, additional time was necessary to reconstruct the Town's records in order to adjust them to be reported in accordance with generally accepted accounting principles.

Recommendation

It is essential that the Town's financial office personnel review the quantity and nature of the audit adjustments proposed by the auditors for the purpose of eliminating the need for such audit adjustments in the future. We also recommend that the various balance sheet accounts be reconciled to the underlying supporting records on a monthly basis to detect any errors or omissions in a timelier manner.

GENERAL FUND BANK RECONCILIATIONS

Observation

During our audit of the General Fund cash balance we noted the bank reconciliation prepared for the audit contained adjustments to the activity clearing the bank in order to get the balance to reconcile to the general ledger. Additionally, contained on the trial balance was a credit card/ACH clearing account with a \$22,400 credit balance, resulting from the adjustments to the bank activity previously noted. The credit card/ACH clearing transactions pertain to electronic payments accepted at the town clerk/tax collector office, which are closed in batches and remitted to the Town in amounts varying from the daily activity. The Town finance officer was recording the electronic payments to the credit card/ACH clearing account and subsequently recording a journal entry to move the daily activity to the cash balance, instead of matching the settlements with the bank statement. The net effect of the adjustments to the cash and credit card/ACH accounts was an increase of \$15,075.

Implication

Bank reconciliations prepared by the Town did not appropriately present the cash balance throughout the year. Failure to properly identify deposits clearing the bank and deposits in transit results in bank reconciliations which are inaccurate.

Also, additional time was necessary to assist the finance officer in reconstructing the year end bank reconciliation to properly identify deposits in transit and credit card/ACH activity which occurred in the town clerk/tax collector office but was not received until the subsequent year.

Recommendation

We recommend finance officer receive the settlement statements from the town clerk/tax collector office and record an adjustment for the credit card/ACH clearing account to the cash account for the amount when deposited. When preparing the bank reconciliation, the finance officer should obtain the daily activity reports for the final week of activity in the town clerk/tax collector office as well as the settlement statements for the first week of the subsequent month to properly identify the individual transactions which make up the balance of the credit card/ACH clearing account.

TOWN CLERK/TAX COLLECTOR DEPOSITS

Observation

As part of our audit procedures, we performed a walkthrough of the town clerk/tax collector procedures surrounding motor vehicle revenues as well as the tax levy and collection process. During our walkthrough procedures, we noted motor vehicle receipts as well as property tax receipts were not deposited in a timely manner. We noted motor vehicle receipts and property tax receipts were held in excess of 7 and 3 business days, respectively, before being deposited in the bank.

Implications

The Town is not in compliance with State law. Per RSA 261:165, the clerk or official shall remit all fees collected to the treasurer or to the treasurer's designee as provided by RSA 41:29 VI, at least on a weekly basis, or daily whenever permit fee receipts total \$1,500 or more. Per RSA 41:35, the tax collector shall remit all money collected to the treasurer or to the treasurer's designee as provided by RSA 41:29 VI, at least on a weekly basis or whenever tax receipts total \$1,500 or more.

Additionally, internal controls over cash are weakened, as undeposited funds are exposed to an increased risk of theft or being misplaced and lost.

Recommendation

As there is no financial institution located within the Town's boundaries permitted by state law for the Town to make deposits with, we recommend the Town comply with State law and make deposits whenever receipts total \$1,500 or more on a weekly basis. Additionally, the board of selectpersons may modify the investment policy of the Town requiring deposits to be made more frequently.

This communication is intended solely for the information and use of management, the Board of Selectmen, and others within the Town, and is not intended to be, and should not be, used by anyone other than these specified parties.



Manchester, New Hampshire
February 6, 2017

 **VACHON CLUKAY
& COMPANY PC**

CERTIFIED PUBLIC ACCOUNTANTS
608 Chestnut Street • Manchester, New Hampshire 03104
(603) 622-7070 • Fax: (603) 622-1452 • www.vachonclukay.com

February 6, 2017

To the Board of Selectmen
Town of Lee, New Hampshire

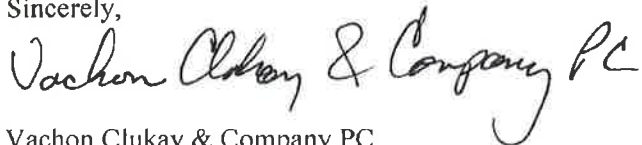
In planning and performing our audit of the basic financial statements of the Town of Lee, New Hampshire for the year ended June 30, 2016, we considered the Town's internal control structure to determine our audit procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. We previously reported on the Town's internal control structure in our report dated February 6, 2017. This letter does not affect that report or our report on the basic financial statements dated February 6, 2017.

We have already discussed these comments and suggestions with various Town personnel, and we will be pleased to discuss them in further detail at your convenience, to perform additional study of these matters, or to assist you in implementing the recommendations.

The purpose of this letter is to provide constructive and meaningful recommendations to you.

Sincerely,



Vachon Clukay & Company PC

AUTHORIZED RATES OF PAY

Observation

During our testing of controls over payroll disbursements, we noted an instance where an employee's hourly rate was not able to be substantiated through a formally documented personnel action request form signed by both the employee and a member of the board of selectpersons.

Implication

Without properly documented rates of pay there is an increased risk that an employee will be paid the incorrect amount or at an incorrect rate. As a result, the Town could become susceptible to future compensation claims by employees.

Recommendation

We recommend Town management review all employee personnel files to ensure the most recent rate of pay authorized by the Board of Selectpersons is in agreement with the current rate of pay to each employee. Whenever wages are adjusted, the Town should prepare a new personnel action request form, have it signed by both the employee and a Board Member and place it in their personnel file.



TOWN of LEE
7 MAST RD, LEE, NH 03861
(603) 659-5414

Office Use Only

Meeting Date: March 13, 2017

Agenda Item No. 6

BOARD OF SELECTMEN
MEETING AGENDA REQUEST
3/13/2016

Agenda Item Title: Installation of an Automated External Defibrillator (AED) at Little River Park for an Eagle Scout Project.

Requested By: Chief Nemet/ Zach Smith

Date: 3/6/2016

Contact Information: SNemet@LeeFire.org 659-5411

Presented By: Zach Smith

Description: Zach Smith would like to complete an Eagle Scout Project by install an AED at sporting fields in the communities of Lee, Durham, and Madbury. The AED will be fully funded by the project and no funds will be needed from the Town of Lee

Financial Details: Enter Estimated Cost, if any, funding source, etc.

Legal Authority NH RSA 41:11-a; 153-A:28, 153-A:30, 153-A:31, 153-A:32, 153-A:33

Legal Opinion: Enter a summary; attach copy of the actual opinion

REQUESTED ACTION OR RECOMMENDATIONS:

Move to approve the installation of an Automated External Defibrillator at Little River Park.



TOWN of LEE
7 MAST RD, LEE, NH 03861
(603) 659-5414

Office Use Only

Meeting Date: March 13, 2017

Agenda Item No. _____

BOARD OF SELECTMEN
MEETING AGENDA REQUEST
3/13/2017

Agenda Item Title: Recreation Commission Authority

Requested By: Recreation Commission Date: 2/28/2017

Contact Information: larry@accutechmarine.com

Presented By: Larry Kindberg

Description: 35-B:3 Officials and Powers. – The power conferred by RSA 35-B:1 may be exercised by a recreation or park commission or any other board or commission as authorized by the governing body of the political subdivision and charged with the responsibility of providing leisure-time services within the political subdivisions' jurisdiction. These powers may be divided as directed by the governing body. The commission shall have powers as are necessary to carry out the purpose for which it is created.

Financial Details: TBD

Legal Authority NH RSA 35-B

Legal Opinion: Enter a summary; attach copy of the actual opinion

SUGGESTED MOTION

Move to authorize that the Recreation Commission be charged with the responsibilities outlined under NH RSA 35-B:3 as follows:

- II. To make contracts;
- III. To grant concessions;
- IV. To make charges for the use of facilities or for participation;
- V. To make and enforce rules and regulations governing the use of property, facilities or equipment and the conduct of persons thereon;
- VI. To contract with any municipal corporation, governmental or private agencies for the conduct of park and recreation programs;

CHAPTER 35-B

PUBLIC RECREATION AND PARKS

Section 35-B:1

35-B:1 Establishment and Management. – Any town, city, county, village district or school district acting through its governing body, may either independently or in conjunction with the United States, the state of New Hampshire, or any other political subdivision acquire land within or without its jurisdiction by gift, purchase or lease, for a public recreation and park area and may prepare, equip, and maintain said land for said purpose. Said town, city, county or district may establish a system of reasonable fees and charges thereon; may conduct and promote leisure-time activities thereon. In connection therewith, any such town, city, county, or district may construct, reconstruct, equip, operate, and maintain any recreation building or recreation support facility; and may employ an administrative officer and such other persons as it deems necessary to carry out the provisions of this chapter. Any town, city, county or district shall have the power to jointly enter into any contract with any organization or organizations for the purpose of conducting leisure-time programs, acquiring recreational lands or facilities, or exercising any other power granted by this chapter.

Source. 1979, 185:1, eff. Aug. 5, 1979.

35-B:2 Tax and Appropriations. – Any town, city, county, village district or school district may raise annually revenues and appropriate funds for the purpose described in RSA 35-B:1 and also may raise such sums when the land upon which such activities are conducted belongs to or is leased by the state. The money necessary to pay for lands or other recreation purposes described in RSA 35-B:1 may be raised and appropriated by the board or body having control over the finances of a political subdivision by the following methods:

I. General taxation, as other taxes are raised and levied or by the issuance of temporary loan bonds or by the issuance of permanent bonds to the extent, and with the authority authorized by existing law.

II. By fees and charges for recreation park services and facilities. All revenue from such fees and charges may be deposited into a special fund established for such purposes pursuant to RSA 31:95-c, or into a recreation revolving fund established by vote of the legislative body. If such a recreation revolving fund is created, the money in the fund shall be allowed to accumulate from year to year, and shall not be considered part of the political subdivision's general surplus. The treasurer of the political subdivision shall have custody of all moneys in such fund, and shall pay out the same only upon order of the recreation or park commission, or other board or body designated by the local legislative body at the time the fund is created. Such funds may be expended only for the purposes of this chapter, and no expenditure shall be made in such a way as to require the expenditure of, or create a liability upon, other town funds which have not been appropriated to that purpose. If such recreation revolving fund is rescinded by vote of the legislative body, any remaining amounts in the fund shall become part of the general fund accumulated surplus.

Source. 1979, 185:1. 1993, 161:1, eff. July 23, 1993. 2012, 181:3, eff. Aug. 10, 2012.

35-B:3 Officials and Powers. – The power conferred by RSA 35-B:1 may be exercised by a recreation or park commission or any other board or commission as authorized by the governing body of the political subdivision and charged with the responsibility of providing leisure-time services within the political subdivisions' jurisdiction. These powers may be divided as directed by the governing body. The commission shall have powers as are necessary to carry out the purpose for which it is created. These

powers may include but not be restricted to the power:

- I. To acquire, hold and dispose of real and personal property; provided, however, the disposal of any real property shall have prior approval of the appropriate legislative body.
- II. To make contracts;
- III. To grant concessions;
- IV. To make charges for the use of facilities or for participation;
- V. To make and enforce rules and regulations governing the use of property, facilities or equipment and the conduct of persons thereon;
- VI. To contract with any municipal corporation, governmental or private agencies for the conduct of park and recreation programs;
- VII. To operate jointly with other governmental units any facilities or property including participation in the acquisition; and
- VIII. To hold trust or manage public property useful to the accomplishment of its objectives.

Source. 1979, 185:1, eff. Aug. 5, 1979. 1997, 53:1, 2, eff. July 18, 1997.

35-B:4 Recreation or Park Commission. – If any town, city, county, or village district decides that the above powers shall be exercised by a recreation or park commission, it shall consist of citizens of such town, city, county, or village district. In cities the citizens shall be appointed by the mayor or city council, subject to provisions of the city charter; in towns by the selectmen; and in other political subdivisions by the governing body of the subdivision. The persons initially appointed to the commission shall serve staggered terms. Their successors shall be appointed under the same appointing procedure for 3 years. Vacancies as they occur shall be filled by the appointing authority for the unexpired term. Any city or town may by ordinance or resolution provide that the mayor or a selectman, or councilman, shall be an ex officio member of the commission.

Source. 1979, 185:1. 1993, 29:1, eff. June 7, 1993. 1997, 53:3, eff. July 18, 1997. 2010, 226:5, eff. Aug. 27, 2010.

35-B:5 Organization and Procedures for Operation of Recreation or Park Commission. – The commission shall from its own number elect a chairperson, secretary, and other necessary officers to serve one year, or until their successors are elected. The commission shall meet at least quarterly. All regular meetings of the commission shall be open to the public. A majority of the members of the commission shall constitute a quorum. Any action is not official unless authorized by a majority of the total membership. The commission shall also have the power to adopt other rules of procedure and prescribe regulations for the conduct of all business within its jurisdiction necessary to carry out the functions for which it was created.

Source. 1979, 185:1, eff. Aug. 5, 1979. 1997, 53:4, eff. July 19, 1997.

35-B:6 Use of Public Property. – All public property may be used for leisure time activities, provided that prior approval for its use has been granted by the appropriate authority in charge of that property. A cooperating agency may establish its own system of just compensation for the use of such properties. Similarly, any authority or body in charge of any public property may refuse use of its property for leisure service activities if interference in the intended use of the property would result.

Source. 1979, 185:1, eff. Aug. 5, 1979.

35-B:7 Cooperative Arrangements Between Political Subdivisions and Other Agencies. –

- I. Any 2 or more towns, cities, counties, or other political subdivisions, may severally vote to establish

cooperative arrangements for carrying out the purposes of this chapter. Appropriate action by ordinance, resolution or otherwise shall be necessary before any such agreement may take effect.

II. Any such agreement shall specify the following:

(a) Its duration;

(b) The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto;

(c) Its purpose or purposes;

(d) The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor;

(e) The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination;

(f) Any other necessary and proper provisions.

III. In the event that the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement shall, in addition to the above listed items, contain the following:

(a) Provisions for an administrator or a joint board responsible for administering the joint or cooperative undertaking. Any public agencies which are a party to the agreement shall be represented on any joint board established.

(b) The manner of acquiring, holding and disposing of real and personal property used in the joint or cooperative undertaking.

IV. No agreement made pursuant to this section shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, said performance may be offered in satisfaction of the obligation or responsibility. Financing of joint projects by agreement shall be as provided by law.

Source. 1979, 185:1, eff. Aug. 5, 1979.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE OYSTER RIVER YOUTH ASSOCIATION AND
THE TOWN OF LEE PARKS AND RECREATION COMMISSION
FOR THE MANAGEMENT OF RECREATIONAL FIELDS

~~MEMORANDUM OF UNDERSTANDING~~
~~BETWEEN THE OYSTER RIVER YOUTH ASSOCIATION AND THE TOWN OF LEE~~
~~FOR THE MANAGEMENT OF RECREATIONAL FIELDS~~

This Memorandum of Understanding ("MOU"), made and entered into this _____ day of _____, 2017, by and between the Town of Lee Parks and Recreation Commission ("TOWN"), a municipal corporation whose address is 7 Mast Road, Lee, NH 03861 and the Oyster River Youth Association ("ORYA") a 501(c)(3) non-profit organization, whose address is 2 Dover Road, Durham, NH 03824. ~~This Memorandum of Understanding ("MOU"), made and entered into this 27th day of April 2015, by and between the Town of Lee ("TOWN"), a municipal corporation whose address is 7 Mast Road, Lee, NH 03861 and the Oyster River Youth Association ("ORYA") a 501 (C)(3) non-profit organization, whose address is 2 Dover Road, Durham, NH 03824.~~ This MOU supports the Town's management and/or scheduling of athletic fields and/or facilities.

WITNESSETH:

WHEREAS, the parties are mutually interested in supporting adequate programs and facilities for the community in the area of athletics and recreation; and

WHEREAS, it is understood that cooperative efforts can eliminate unnecessary duplication of services, reduce overall park and recreation costs, and can more effectively meet the educational, recreational, and leisure time needs of the Town of Lee and ORYA; and

WHEREAS, the governing bodies of the Town and ORYA are authorized to enter into agreements with each other and to do all things necessary to meet the respective obligations of their organizations; and

WHEREAS, the Town owns recreational playing fields and ORYA has the experience to manage recreational facilities and its mission is to provide recreational programs to the youth of Durham, Lee, and Madbury; and because it is in the best interest of the community and of both the Town and ORYA to provide the best service possible to meet their respective obligations with the least expenditure of public funds and resources, cooperation between the Town and ORYA is necessary and will benefit both organizations; and

WHEREAS, the Town has determined that some of the recreational needs of the community could be better met if the management of its playing fields was assigned to ORYA and ORYA has the desire and capacity to do so; and

WHEREAS, ORYA shall act as the coordinator for scheduling of non-Town ~~or Recreation Commission~~-use of the playing fields at Little River Park, ~~Stevens Field~~, and the Town Field at Mastway School, ~~and the mowing of said fields~~, commencing upon the execution of this MOU.

NOW THEREFORE,

Section 1 - PURPOSE

A. The purpose of this MOU is to clearly outline the responsibilities for the maintenance, acceptance of applications, scheduling and ~~operation~~ general maintenance of the Town's recreational playing fields. The parties agree that the fields are intended to be used jointly by the Town, community groups, ORYA, ~~ORCSD~~, and other non-profit sports ~~leagues~~ organizations. In planning programs and scheduling activities, the recreational needs and opportunities for school-aged children and the citizens of Lee will be the highest priority.

B. Nothing contained herein shall constitute or designate ORYA or any of its employees or agents as employees or agents of the Town, nor shall the Town be deemed or considered as a partner or agent of ORYA.

C. ORYA shall utilize the following order of priority when scheduling the facilities: 1. TOWN; 2. ORYA; 3. ORCSD; 4. Non-affiliated non-profit organizations; 5. Non-affiliated organizations.

D. For the purposes of this MOU, the term "Town" shall include all Town of Lee Departments, Committees and Commissions.

Section 2 – SCHEDULING AND USE

A. The Highway Supervisor shall determine the starting date each spring that fields may be utilized, with input from the Town's consultants and the ORYA Director.

~~AB.~~ ORYA shall act as scheduling coordinator for the playing fields upon the commencement of this MOU for sports-related activities during times that are not in conflict with Town-sponsored use and events. The Selectmen's Office ~~and the Recreation Commission~~ shall direct scheduling inquiries for any non-Town sponsored event to ORYA but shall remain responsible for scheduling use of the Pavilion at Little River Park.

~~BC.~~ ORYA agrees that the first priority for the use of the Town-owned playing fields will be given to Town programs ~~or Recreation Commission-sponsored programs~~, but shall have the authority to allocate use of the fields for all other groups, including programs sponsored by ORYA and the Oyster River Cooperative School District (ORCSD.)

~~CD.~~ ORYA shall utilize the Town of Lee's "Recreational Fields Usage Agreement" (Appendix A) for all non-ORYA or ORCSD applicants applying for use, ~~except for their own programs~~, and provide the Town with a signed copy.

~~DE.~~ ORYA shall provide the Selectmen's Office with a copy of the schedule of use (or online access) for each field at the start of each playing season and the Selectmen's Office will advise of any Town-sponsored dates as soon as they are determined. ORYA will promptly advise of any changes to the schedule.

~~EE.~~ Neither ORYA nor any applicant, in its policies and practices, shall discriminate against any person on the basis of race, color, religion, national origin, handicap status, age, marital status, sexual orientation, or gender. As part of his/her application, the applicant shall attest to his/her non-discrimination practices.

G. Under no circumstances shall anyone other than the Town utilize any portion of Little River Park for the time period that commences two days before and ends one day after the Lee Town Fair, which is usually held on the Saturday after Labor Day.

SECTION 3 – FEES AND CHARGES

A. The Board of Selectmen reserves the right to determine the fees that shall be charged for use of the fields. Any such fees shall not be applicable to ORYA, ORCSD, or Town-sponsored use. ~~Although payment will be collected by ORYA, checks shall be made payable to the "Town of Lee." ORYA shall forward all payments to the Town's Finance Office in a timely manner.~~ Fees shall be established on a yearly basis and shall take effect on January 1st of each calendar year.

~~B. It shall be ORYA's responsibility to ensure that payment is submitted by an applicant in a timely fashion and for all usage of the field(s) and to advise any applicant who does not submit payment that use of the field will be rescinded until such time as funds are received.~~ ORYA shall collect any payments for use of the fields and request that checks be made out to "Town of Lee." Any payments received shall be forwarded to the Town's Finance Office on a weekly basis.

C. ORYA shall collect payment in full prior to the first date of use and shall advise any applicant who does not submit payment accordingly that the use of the field shall be rescinded until such time as funds are received.

~~CD.~~ In addition, ORYA shall notify all applicants that the Town may charge users for labor and materials that the Town may incur because of their use of the property, including but not limited to property damage, trash removal, etc.

SECTION 4 – MAINTENANCE

~~A. ORYA shall be responsible for the mowing, fertilization, over-seeding, and general maintenance of the playing fields to a standard traditionally provided to serve recreational athletic use, including the maintenance of the dirt portions of the baseball fields. The Town remains responsible for ensuring that the irrigation system is maintained in good, working order. All of that notwithstanding, both parties agree to work collaboratively to ensure that the fields are maintained in optimal condition.~~

A. The Town of Lee Highway Department shall be responsible for the general maintenance of the playing fields as follows, including all associated costs:

1. The Town shall endeavor to mow the grass so as to ensure a playing surface appropriate for recreational athletic use.

2. Establish the irrigation schedule and maintain the irrigation system.

B. ORYA shall be responsible for the following, including all associated costs:

1. Maintain all dirt portions of the baseball fields to ensure that the fields are in playable condition during the spring and fall seasons.

2. Ensure that the fields are properly fertilized and seeded.

3. Schedule grass repairs and provide special attention to field conditions when needed.

B. Trash and garbage cleanup is the responsibility of the party using the property. ORYA shall ensure that the fields and surrounding areas are left clean immediately after each use by ORYA and ORCSD.

C. ORYA shall communicate to all other applicants/users that the facility is to be left free of trash and garbage and will work with the Town's Highway Department to determine additional charges to be levied against users who do not comply.

CD. All user-owned equipment, materials and gear, other than that belonging to ORYA, shall be removed from the site after each use. Failure to do so may result in the Town removing and storing the items with the cost for removal being assessed to the owner(s). ORYA's lacrosse goals may remain at each long-end of the Multi-Purpose field at Little River Park for the duration of the season.

E. ORYA shall be responsible for storing all of its athletic gear in the ORYA-owned shed located at Little River Park. All athletic goals shall be stacked and locked next to the ORYA storage shed, off the field surface, during any off-season.

F. The parties agree to share equally the cost of electricity at Little River Park during the time period that the irrigation system is utilized (generally April - November.) The Town shall provide copies of electrical invoices to ORYA at the end of each season, who shall pay their appropriate share promptly.

SECTION 5 – TERM OF AGREEMENT

A. The term of the Agreement shall be from January 1st April 28, 2015 to December 31st of each year. April 28, 2017.

B. The Town and ORYA may propose amendments to this MOU by October 1st of each year. The parties will review any such amendments during the annual budget meetings at a date to be established by the Town. The Town and ORYA shall have the option of mutually extending the agreement and any

~~amendments mutually agreed to by the parties until such time as one or the other desires to terminate the program. Any such termination must be by three month's written notice.~~

D. The terms and conditions set forth herein may be modified by mutual consent to reflect changed conditions and/or preferences.

E. ~~Any such termination of this MOU by either party must shall be by three month's written notice.~~

SECTION 6 – INSURANCE AND INDEMNIFICATION

A. ORYA agrees to protect, defend, hold harmless, indemnify, and defend the Town of Lee, its officers, employees, and agents from any costs, claims, judgments, awards or liability for damages arising out of or in any way resulting from the use, maintenance or operation of Town-owned fields when such facilities are being, or have been, used pursuant to an ORYA program or assignment contemplated by this MOU.

B. ORYA agrees to provide a Certificate of Insurance to the Town with an endorsement demonstrating that the Town of Lee and its officials, agents, volunteers and employees are named as an additional insured in accordance with the Town's Insurance Requirements (Appendix B).

C. ORYA agrees to ensure that all non-ORYA or Town-sponsored users of the field (such as outside sports leagues) provide a Certificate of Insurance, with an endorsement demonstrating that the Town of Lee and its officials, agents, volunteers and employees are named as an additional insured in accordance with the Town's Insurance Requirements (Appendix B). Copies of all such Certificates will be provided to the Selectmen's Office prior to any use of the field(s.)

D. The Town shall maintain general liability coverage for liabilities normally assumed by the Town arising out of the use of its properties, including recreational playing fields.

SECTION 7 – AUTHORITY

A. ORYA shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the Town in any manner whatsoever, except to the extent specifically provided in this MOU or specifically authorized by the Lee Select Board as reflected in the minutes of a Board meeting.

B. ORYA shall have no right or interest in any of the Town's property as a result of this MOU.

C. ~~ORYA shall advise the Town of the status of their activities required under this MOU on a regular basis and work in coordination with the staff of the Selectmen's Office and the Highway Department.~~

SECTION 8 – COMPENSATION

A. Neither party shall receive any compensation from the other for the services provided under this MOU, ~~except that the Town agrees to reimburse ORYA for reasonable expenses incurred for the mowing and maintenance of the playing fields, provided that: 1) the Town reviews and approves the bids received for such services; 2) the amount expended cannot exceed the funds that the Town has appropriated during the fiscal year for these services; and 3) ORYA submits timely payment requests that include copies of contractor invoices, material receipts, etc.~~

B. ~~ORYA will repair any damage or worn areas it creates from the regular use of the fields. Repairs will be made seasonally during optimal germination periods to maintain a quality playing surface.~~

~~C.B.~~ ORYA shall not charge the Town any fee for use of their offices, personnel, or overhead expenses except as agreed to by the Board of Selectmen in advance. Likewise, the Town shall not charge ORYA for any similar expenses, except as agreed to by ORYA in advance.

Approved by the Lee Select Board on ~~April 27, 2015~~

~~Scott Bugbee~~
~~Carole Dennis~~

~~Scott Bugbee~~ Cary Brown

John R. LaCourse

Approved by the Oyster River Youth Association (duly authorized agent):

_____ Date: _____

EXHIBIT A



**Recreational Fields
-Usage Agreement**

Town of Lee, 7 Mast Road, Lee NH 03861
Phone (603) 659-5414/ www.leenh.org

Name of Organization/Group/Person: _____

Contact Person: _____ Phone #: _____

Mailing Address: _____

E-Mail address: _____

- Field(s) Requested:
- Little River Park Baseball Field \$35.00/game
 - Little River Park Multi-Purpose Field \$25.00/hr.
 - LRP Playground/Picnic Tables No Fee
 - Town Field (at Mast Way) No Fee
 - Stevens Field No Fee

Details (description of activity): _____

Dates & Times: _____

(Attach schedule if more than three dates)

Rules & Regulations Governing Use of Town of Lee Recreation Facilities

- All groups and organizations will assume liability for their own members and the actions thereof. Any damage resulting to the facility, equipment, or other Town of Lee property will be billed to the responsible party. Users are responsible for the safety of their participants and guests at all times. All participants, spectators and guests must realize the inherent danger of using this facility and shall release the Town of Lee of any and all liability for personal injury and/or property damage upon arriving at the facility. Users must not use the facility if they discover an unsafe condition, and they must report all unsafe conditions to the Selectmen's Office immediately.

2. Users agree to provide a Certificate of Insurance to the Town with an endorsement demonstrating that the Town of Lee and its officials, agents, volunteers and employees are named as an additional insured in accordance with the Town's Insurance Requirements.
3. The Town of Lee reserves the right to close the facility when the weather conditions or other concerns have created hazardous field conditions. The Town of Lee, at any time, at its discretion reserves the right to change, or amend the foregoing regulations or withdraw any group, organization or person the privilege of using Park facilities within its discretion.
4. Little River Park is a "Carry-in, Carry-Out" facility. All trash shall be removed and properly disposed of by Park users. Glass containers are prohibited. All users are responsible for removal of their personal property from the park after each use or game. The Town shall not be responsible for any personal property left at the Park.
5. All parking shall occur in designated graveled parking areas and shall not occur on any grassed area. All parking signs shall be followed.
6. All dogs must be on a leash at all times. Dogs and other animals are not allowed on any of the playing fields. Dog owners are responsible for removing their dog's waste from Park grounds.
7. All activities should be stopped as soon as you hear thunder or see lightning, or observe dark threatening clouds developing overhead. All participants should remove themselves to a safe location. According to the National Weather Service, ***the only completely safe action is to quickly get inside a safe building or vehicle.*** You are ***not safe*** anywhere outside. Stay inside until 30 minutes after you hear the last clap of thunder. Do ***not*** shelter under trees.
8. **NO ALCOHOLIC BEVERAGES, PROFANITY, and OBJECTIONABLE LANGUAGE OR DISORDERLY CONDUCT:** These violating such prohibitions will be ejected from the premises & may have compromised future park use.

~~IN CONSIDERATION OF PERMISSION GRANTED by the Town of Lee, NH ("Town"), to use the Town's Recreational Fields for the purpose indicated above, I, the undersigned representative of the above group/organization and all its members, hereby and forever defend, discharge, release, indemnify, and hold harmless the Town, its successors and assigns, board members, officers, agents and employees from all claims, damages, liabilities, costs, expenses, and fees (including reasonable attorney fees) for damage to or loss of property, personal injury, including death, and claims for worker's compensation whether or not any of the above arise from the negligence of the Town, that user or user's guests or invitees, may incur arising from our use of the Recreation Field(s). I attest that I/we do not discriminate against any person on the basis of race, color, religion, national origin, handicap status, age, marital status, sexual orientation, or gender.~~

~~I have read and agree to abide by the Town's Recreational Fields Usage Agreement. I shall be responsible for all our participants and guests. I, the undersigned, have read this contract and understand all of its terms and I sign this release voluntarily and with full knowledge of its significance.~~

~~Applicant Signature: _____~~

~~Date: _____~~

~~Printed Name: _____~~



Recreation Facilities Usage Agreement

Town of Lee, 7 Mast Road, Lee NH 03861 Phone (603) 659-5414/ www.leenh.org

Name of Organization/Group/Person: _____

Contact Person: _____

Phone #: _____

Mailing Address: _____

E-Mail address: _____

| | | | |
|------------------------|--------------------------|---------------------------------------|--------------|
| Facility(s) Requested: | <input type="checkbox"/> | Little River Park Baseball Field | \$35.00/game |
| | <input type="checkbox"/> | Little River Park Multi-Purpose Field | \$35.00/game |
| | <input type="checkbox"/> | Little River Park Pavilion | No Fee |
| | <input type="checkbox"/> | Town Field (at Mast Way) | No Fee |

Details (description of activity): _____

Dates & Times: _____

(Attach schedule if more than three dates)

Rules & Regulations Governing Use of Town of Lee Recreation Facilities are on the reverse side. Please read carefully before signing this application.

IN CONSIDERATION OF PERMISSION GRANTED by the Town of Lee, County of Strafford, State of New Hampshire, to use Lee's Recreation Facilities for the purpose indicated above, I the undersigned representative of the above group/organization and all its members, hereby and forever discharge, release, indemnify, and hold harmless the Town of Lee, its successors and assigns, agents and employees from all debts, claims, demands, damages, actions and causes of action whatsoever, which we may now have or may hereafter have, as a result of our use of Lee's Recreation Facilities, I attest that I/we do not discriminate against any person on the basis of race, color, religion, national origin, handicap status, age, marital status, sexual orientation, or gender.

I have read and agree to abide by the Rules & Regulations and this Agreement. I will be responsible for all our participants, coaches and guests. I, the undersigned, have read this contract and understand all its terms. I sign this release voluntarily and with full knowledge of its significance.

Applicant Signature: _____

Date: _____

Printed Name: _____

1. Little River Park hours are from dawn to dusk and no overnight parking or camping allowed unless prior permission has been granted by the Lee Select Board.
2. Hunting is prohibited.
3. Little River Park is a "Carry-in, Carry-Out" facility. All trash shall be removed and properly disposed of by Park users. Glass containers are prohibited. All users are responsible for removal of their personal property from the Park after each use or game. The Town shall not be responsible for any personal property left at the Park.
4. All parking shall occur in designated graveled parking areas and shall not occur on any grassed area. All parking signs shall be followed.
5. All dogs must be on a leash at all times. Dogs and other animals are not allowed on any of the playing fields. Dog owners are responsible for removing their dog's waste from Park grounds.
6. Use of the Pavilion is generally handled on a "first-come-first-served" basis; however, if you wish to reserve it for a special event, please contact Town Hall at 659-5414. Town-sponsored use takes precedent.
7. Nothing may be affixed to any structure, post or tree that shall in any way cause harm or damage. Anything placed in a temporary manner (such as balloons or banners) shall be removed before leaving the Park.
8. Rebound devices are NOT allowed (i.e. bounce houses, trampolines, etc.)
9. Cooking is an allowed use by way of charcoal or gas grills, which must be located at least ten feet (10') from any structure. Open fires, such as campfires, are not permitted except by prior special authorization from the Select Board and by obtaining a legal burn permit from the Lee Fire & Rescue Department at least two days prior to the day of the event. *This may require obtaining the services of the Lee Fire & Rescue Department to site all open fires.*
10. All activities should be stopped as soon as you hear thunder or see lightning, or observe dark threatening clouds developing overhead. All participants should remove themselves to a safe location. According to the National Weather Service, *the only completely safe action is to quickly get inside a safe building or vehicle.* You are *not safe* anywhere outside. Stay inside until 30 minutes after you hear the last clap of thunder. Do **not** shelter under trees or in the Pavilion. The Town of Lee reserves the right to close the facility when the weather conditions or other concerns have created hazardous conditions.
11. **NO ALCOHOLIC BEVERAGES, PROFANITY, OBJECTIONABLE LANGUAGE, and OR DISORDERLY CONDUCT:** Those violating such prohibitions will be ejected from the premises and may be restricted from future use of the park.
12. All individuals, groups and organizations will assume liability for themselves and their own members and the actions thereof. Any damage resulting to the facility, equipment, or other Town of Lee property will be billed to the responsible party. Users are responsible for their own safety and that of their participants and guests at all times. All participants, spectators and guests must realize the inherent danger of using Town Recreational facilities and shall

release the Town of Lee of any and all liability for personal injury and/or property damage upon arriving at the facility. Users must not use the facility if they discover an unsafe condition, and they must report all unsafe conditions to the Selectmen's Office immediately.

13. The Town of Lee, at any time, at its discretion reserves the right to change, or amend the foregoing regulations or withdraw any group, organization or person the privilege of using Recreation facilities within its discretion

EXHIBIT B

**Town of Lee, NH
INSURANCE REQUIREMENTS**

Insurance shall be in such form as will protect the Contractor from all claims and liabilities for damages for bodily injury, including accidental death, and for property damage, which may arise from operations performed for the Town of Lee whether such operation be by himself or by anyone directly or indirectly employed by him.

AMOUNT OF INSURANCE

- A) Comprehensive General Liability:
Bodily injury or Property Damage - \$1,000,000
Per occurrence and general aggregate
- B) Automobile and Truck Liability:
Bodily Injury or Property Damage - \$1,000,000
Per occurrence and general aggregate

Coverage requirements can be met with excess policies. Additionally, the Contractor shall purchase and maintain the following types of insurance:

- A) Full Workers Comprehensive Insurance coverage for all people employed by the Contractor to perform work for the Town of Lee. This insurance shall at a minimum meet the requirements of the most current laws of the State of New Hampshire.
- B) Contractual Liability Insurance coverage in the amounts specified above under Comprehensive General Liability.
- C) Product and Completed Operations coverage to be included in the amounts specified above under Comprehensive General Liability.

ADDITIONAL INSURED

All liability policies (including any excess policies used to meet coverage requirements) shall include naming the Town of Lee, New Hampshire as an Additional Insured by Endorsement.

- 1) The contractor's insurance shall be primary in the event of a loss.
- 2) Town of Lee shall be listed as a Certificate Holder. The Town shall be identified as follows:

Town of Lee
Attn: Town Administrator
7 Mast Rd
Lee, NH 03861



TOWN of LEE
7 MAST RD, LEE, NH 03861
(603) 659-5414

Office Use Only

Meeting Date: March 13, 2017

Agenda Item No. 7a

BOARD OF SELECTMEN
MEETING AGENDA REQUEST
3/13/2017

Agenda Item Title: MRI Contract Renewal for Assessing Services

Requested By: Julie Glover

Date: 3/10/2017

Contact Information: 603-659-5414

Presented By: Julie Glover, Town Administrator

Description: Review Municipal Resources Inc. Professional Services Agreement for Assessing and Related Support Services.

Financial Details: \$2600 per month for FY18 for general assessing services.

Legal Authority: NH RSA 72-76

Legal Opinion: Enter a summary; attach copy of the actual opinion

REQUESTED ACTION OR RECOMMENDATIONS:

Move to approve the MRI Contract for Assessing Services which shall remain in effect through June 30, 2020.



PROFESSIONAL SERVICES AGREEMENT

I. PARTIES TO THE AGREEMENT

This Agreement, dated _____, is intended to provide a professional consulting relationship for services to the **TOWN OF LEE, NEW HAMPSHIRE (Client)** to be provided by **MUNICIPAL RESOURCES, INC. (MRI)**, and is lawfully entered into between the Client, by Julie Glover, Town Administrator, authorized representative, and MRI, by its President, Alan S. Gould. The Client's contact person responsible for administering this agreement is Julie Glover, Town Administrator.

II. SCOPE OF WORK

Generally, to provide Assessing and related support services, in the on-going operations of the Lee Assessing Department. To assist the Select Board in fulfillment of their duties and responsibilities related to the tax assessment of real property throughout the municipality. The foregoing is not intended to include either partial or full revaluations, or updates without a separate contract, which is required by the Department of Revenue Administration (DRA).

MRI will:

- a) Adequately manage and maintain but not limited to the following; exemptions, credits, current use, land use change tax (LUCT), gravel yield taxes, and all other statutory assessing obligations;
- b) Gather and data enter into the CAMA system ownership information from Registry of Deeds and other sources, review exemption and tax credit applications and supporting information submitted, provide written recommendations and upon approval data enter into the CAMA system;
- c) Conduct careful measuring, listing and valuation of new or newly modified properties as a result of the issuance of permits, filing of inventories, or any other applicable source and data enter applicable changes into the CAMA system;
- d) Perform field inspections and other studies to review all abatement requests;

- e) Meet with taxpayers wishing to discuss their valuations;
- f) Meet with the Municipal Administration, Department Heads and/or Select Board upon request;
- g) Consider all properly filed abatement requests by any taxpayer and after review and research, shall make a recommendation to the Select Board/Assessors in writing;
- h) Represent the Municipality and its best interest in all abatements or appeals;
- i) Meet and work with State Monitors to ensure the Municipality is meeting all certification requirements of DRA and to maintain a good working relationship;
- j) Perform annual assessment to sales ratio studies for the purpose of informing the Select Board/Assessors of the need for a full revaluation, partial revaluation, or statistical update to be compliant with RSA 75:8 – Revised Inventory;
- k) Measure and list 25% of all town inventory in each of the years of this agreement;
- l) Work with Avitar’s CAMA System.

It is expected that Town staff will be responsible for providing photocopies of building permits and any other applicable information for each property to be reviewed and will provide other clerical/administrative assistance. It is also expected that any questions or issues that arise, whether originating from a Municipal official, employee, or taxpayer, will be brought to MRI’s attention at the earliest opportunity, so that it may be dealt with expeditiously.

With regard to field inspections, MRI staff will use the data collection manual in place. It is MRI’s intent to make one visit to the properties. If someone is present at the time of the visit, an interior inspection will be attempted. In all cases, MRI will measure the exterior of the improvements, except where inappropriate. In those cases where the interior is not viewed, a list will be provided so the Town staff can send a letter requesting an appointment for an interior inspection if desired. If no interior inspection is conducted, MRI will estimate the interior on the basis of the best information available and notate the property card accordingly.

It is expected that all work can be accomplished within 1 day per week on average with time sometimes varying considerably from month to month. If the required time is significantly different (15%) such that MRI requires more, or less, effort, both parties agree to renegotiate the scope and fees sections of this agreement to reflect the additional/reduced effort.

If the Board decides that it wants MRI to conduct any additional analysis or to adjust assessed values, a separate contract would need to be negotiated per DRA rules. Also, if as a result of new legislation



and/or DRA or ASB rules/guidelines, additional services are required, an additional scope of work would need to be negotiated.

III. FEES AND CHARGES

The monthly fee indicated below will be paid by the 10th of each month. Any reimbursable charges and other extras (see Special Conditions below) will be invoiced in the month following the expense and will be paid within 15 days of invoice. Invoices not paid within fifteen (15) days will accrue interest at the rate of 1.5% per month.

- A. The sum of \$2,600.00 per month during fiscal year 2017-18
- B. The sum in A above per month, adjusted by the 12-month change in Northeast Regional CPI "All Items Index" published in April 2018, during fiscal year 2018-19
- C. The sum in B above per month, adjusted by the 12-month change in Northeast Regional CPI "All Items Index" published in April 2019, during fiscal year 2019-2020

The use of a consultant's personal vehicle for field work will be documented and billed at the IRS rate in effect at that time.

Postage for inspection notices shall be the responsibility of the Client.

Fees are based on an estimate of 2,189 parcels in the Town of Lee as defined by RSA 75:9. In the event that the number of parcels should exceed this estimate the monthly fee will remain unchanged.

IV. MRI PERSONNEL IN CHARGE

Alan S. Gould, President, will serve as principal-in-charge of this engagement. It is expected that Scott Marsh will serve as assessing supervisor and Jerry Quintal, CNHA will be handling much of the day-to-day issues, with additional qualified staff being assigned as needed.

Communications or correspondence related to any problems, issues or changes required for this assignment should be directed to the appropriate parties as follows:

Municipal Resources, Inc.

Kathleen Burgess
Municipal Resources, Inc.
120 Daniel Webster Highway
Meredith, NH 03253
(603) 279-0352, x-500
assessing@mrigov.com

Town of Lee

Julie Glover, Town Administrator
Town of Lee
7 Mast Road
Lee, NH 03861-06555
(603) 659-5414
townadministrator@leenh.org



V. TERM

This agreement shall remain in force through June 30, 2020. Either party may terminate the Agreement with 30 days advance written notice to the other party subject to relevant terms and conditions contained herein.

VI. SPECIAL CONDITIONS

1. For the preparation and presentation of the defense of values above the local level, the cost will be \$150 per hour, except for the defense of utility values, where the cost will be \$175 per hour.
2. MRI reserves the right to assign other qualified assessing personnel to this project for the same monthly cost following notification to the Town of its intention to do so.
3. To the extent MRI may require assistance from the Town's software vendors, or others knowledgeable of the Town's assessing/tax collection practices, the Town agrees to authorize use of these resources and to pay directly all costs for their services as may be incurred. MRI shall work to keep these costs as low as possible.

THIS CONTRACT IS SUBJECT TO THE PROVISIONS CONTAINED IN ADDENDUM I, ATTACHED HERETO AND INCORPORATED HEREWITH.

ACCEPTED AND AGREED

FOR THE TOWN OF LEE

FOR MUNICIPAL RESOURCES, INC.

Julie Glover, Town Administrator

Date: _____

Alan S. Gould, President

Date: _____



ADDENDUM I

A. MUTUAL REPRESENTATIONS

MRI represents to the Client it is a duly constituted corporation under the laws of the State of New Hampshire and is authorized to do business within this State as a professional services corporation.

MRI has in force and effect general commercial liability and errors and omissions insurance coverage to protect the Client from accidents which MRI or its authorized representatives may cause to persons or property or from professional errors or omissions when performing under this agreement.

MRI has no liens or encumbrances which would adversely affect the ability of MRI to perform as stipulated under this agreement, its terms and conditions.

The Client represents to MRI that sufficient funds have been appropriated so it may retain and compensate MRI for the services provided for herein.

The Client's representative is authorized to enter into this agreement on behalf of the Client.

The Client is aware of no action, contemplated action, liability or other encumbrance which would limit or otherwise preclude the Client from freely entering into this agreement and compensating MRI for the services provided.

B. NOTICE OF CHANGE OF PERSONNEL

Except as otherwise provided below, the MRI consultants assigned to any scope of work or project will remain throughout the duration of that specific scope of work or project. MRI retains the right, and upon 30 days written notice, to remove from the project any of its consultants whom it believes can no longer suitably perform under its obligations to this agreement or any Supplement to it.

The Client, upon 30 days written notice, may request MRI to replace any of its consultants with another qualified representative.

C. ADMINISTRATION OF AGREEMENT MODIFICATIONS

In all cases where this agreement is modified or expanded a written Supplemental Scope of Work (Supplement) must be prepared which clearly defines the services to be provided and details the billing rates or amounts to be charged by MRI and paid by the Client. Supplements must be executed by the authorized representatives of the respective parties prior to any billable work being undertaken. The Supplement(s) shall identify:

- The MRI officer or principal responsible for the successful delivery of services and/or project completion and the client's contracting official(s) or officer(s);
- The specific details of the work to be performed;
- The MRI personnel to be assigned;
- The basis upon which MRI services are being retained, including the normal hourly rate(s), cost reduction considerations or the agreed upon fee(s) for the personnel assigned and/or the services provided;
- The Client's contact person responsible for administering the Supplement, activities or project and the associated reporting requirements; and
- Any special or other conditions such as time deadlines, special reporting requirements, budget limitations, or other similar constraints.

D. INDEMNIFICATION

MRI shall protect, indemnify and hold and save harmless Client, its officers, employees, officials, and agents from any and all claims, costs, causes, actions and expenses, including, but not limited to, legal fees (attorneys' and paralegals' fees and court costs) arising out of MRI's negligence in the provision of services to Client. MRI shall similarly protect, indemnify and hold and save harmless Client, its officers, employees, officials and agents against and from any and all claims, costs, causes, actions, and expenses, including, but not limited to, legal fees, incurred by reason of MRI's breach of any of its obligations under, or MRI's default of, any provision of this Agreement.

Client shall protect, indemnify, and hold and save harmless MRI, its agents, employees, and affiliates against and from any and all claims, costs, causes, actions, and expenses, including, but not limited to, legal fees (attorneys' and paralegals' fees and court costs) arising out of Client's negligence in fulfilling its obligations under this Agreement. Client shall similarly protect, indemnify and hold and save harmless MRI, its agents, employees, and affiliates against and from any and all claims, costs, causes, actions, and expenses, including, but not limited to, legal fees, incurred by reason of Client's breach of an of its obligations under, or Client's default of, any provisions of this Agreement.

E. INSURANCE

MRI has in force and shall maintain throughout this engagement the following insurance:

1. General Liability Insurance

MRI shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence covering liability arising from premises , operations, independent contractors, products-completed operations, personal injury (including employment practices liability) and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If such CGL insurance contains a general aggregate limit, it shall apply separately to this project.

Client shall be named as an additional insured prior to beginning work and MRI shall furnish client with a Certificate(s) of Insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above.

All Certificates shall provide for 30 days' written notice to the Client prior to the cancellation or material change of any insurance referred to thereon.

2. Professional Liability Insurance

MRI shall maintain professional liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each wrongful act arising out of the performance or failure to perform professional services.

3. Business Auto and Umbrella Liability Insurance

If applicable, MRI shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto including owned, hired, and non-owned autos.

4. Workers Compensation Insurance

MRI shall maintain workers compensation and employers liability insurance. The commercial umbrella and/or employers liability limits shall not be less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

F. NON-SOLICITATION

The Client agrees that, for a period of one-year following the completion of the terms of this Agreement, they shall not, directly or indirectly, hire, solicit, or otherwise encourage any MRI personnel or affiliate assigned to this Agreement, to leave MRI's employment. In the alternative if the client should wish to hire any MRI personnel or affiliate assigned to this Agreement it agrees to compensate MRI with payment in the amount of 25% of that person's 1st year total compensation package.

Initialed for Client: _____ Initialed for MRI: _____
Date: _____ Date: _____



Trustees of Trust Funds
Town of Lee
7 Mast Road
Lee, NH 03861

3 March 2017

Select Board
Town of Lee
7 Mast Road
Lee, NH 03861

Dear Select Board:

In a ⁵ January 2017 email from Julie Glover, Town Administrator, the Trustees of Trust Funds were asked whether or not the cost of a "postcard that was sent to all residents in Lee to advise them of the Public Presentation on the work of the Facilities Committee" could be paid out of the Town Buildings Capital Reserve Fund. Attached to the email was an electronic copy of an invoice from Southport Printing Company dated 12/30/16 in the amount of \$1,131.96.

At our meeting on 3 March 2017, the trustees discussed and voted on this question.

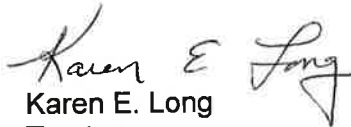
~~We do~~ _____ We do not 


approve this expenditure from the Town Buildings Capital Reserve Fund.

Please contact us if you have questions about this matter.

Respectfully,

John H. Tappan
Trustee


Karen E. Long
Trustee


Richard Miller
Trustee

CC: Julie E. Glover, Town Administrator

**TAX CREDIT/EXEMPTION
APPLICATION RECOMMENDATION**

To: Select Board
Town of Lee

Date: February 27, 2017

From: Scott Marsh, CNHA
Municipal Resources
Contract Assessors' Agents

RE: Veteran Tax Credit
Tax Map 9 Lot 10-4

The above referenced application and supporting documentation was received and reviewed. From the review it appears that Gordon Crosson does qualify for the Veterans' Tax Credit. It is recommended that the application be approved for the 2017 tax year.

If there are any questions, please let me know.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
PERMANENT APPLICATION FOR PROPERTY TAX CREDITS/EXEMPTIONS
 DUE DATE APRIL 15 PRECEDING THE SETTING OF THE TAX RATE

PROPERTY OWNER NAME

PROPERTY OWNER NAME

TAX MAP | BLOCK | LOT

OWNER AND APPLICANT INFORMATION

STEP 1 OWNER AND APPLICANT NAME AND ADDRESS

OWNER

GORDON D. & SANDRA CROSSON

APPLICANT'S LAST NAME: **CROSSON** APPLICANT'S FIRST NAME: **GORDON** MI: **D.** PHONE NUMBER: **603-781-2282**

APPLICANT'S LAST NAME: **CROSSON** APPLICANT'S FIRST NAME: **SANDRA** MI: **m.** PHONE NUMBER: **603-781-1695**

MAILING ADDRESS: **8 SWAAN DRIVE**

CITY/TOWN: **LEE** STATE: **NH** ZIP CODE: **03861**

PROPERTY ADDRESS: **8 SWAAN DRIVE** TAX MAP: **000009** BLOCK: LOT: **000010**

IS THIS YOUR PRIMARY RESIDENCE? YES NO

VETERAN'S INFORMATION

STEP 2 VETERANS' TAX CREDITS AND EXEMPTION

1. APPLICANT IS THE: Veteran Spouse Surviving Spouse

2. APPLYING FOR:

Veterans' Tax Credit (RSA 72:28) Standard (\$50) / Optional (\$51 up to \$500)

All Veterans' Tax Credit (RSA 72:28-b) *If Adopted by Town* Standard (\$50) / Optional (\$51 up to \$500)

Tax Credit for Service-Connected Total Disability (RSA 72:35) Standard (\$700) / Optional (\$701 up to \$2,000)

Tax Credit for Surviving Spouse (RSA 72:29-a "...of any person who was killed or died while on active duty...")

Certain Disabled Veterans (Exemption) (RSA 72:36-a)

3. Veteran's Name: **GORDON D. CROSSON** Dates of Military Service Enter (MMDDYYYY):

4. Date of Entry: **11/30/1969** 5. Date of Discharge/Release: **11/30/1975**

IF A VETERAN OF ALLIED COUNTRY: (RSA 72:32)

6. Name of Allied Country Served in: **US** 7. Branch of Service: **Army Reserves**

9. Does any other eligible Veteran own interest in this property?
 YES NO If YES, provide name
 YES NO

8. Please Check One.
 US Citizen at time of entry into Service
 Alien but resident of NH at time of entry into Service

STANDARD EXEMPTIONS

STEP 3 EXEMPTIONS

10. Elderly Exemption (Must be 65 years of age on or before April 1 of year for which exemption is claimed) (RSA 72:39-a)
 (Enter numbers only MMDDYYYY) 10a. Applicant's Date of Birth 10b. Spouse's Date of Birth

11. Improvements to Assist Persons with Disabilities (RSA 72:37-a)

LOCAL OPTIONAL EXEMPTIONS (If adopted by city/town)

12. Blind Exemption (RSA 72:37) Solar Energy Systems Exemption (RSA 72:62)
 Deaf Exemption (RSA 72:38-b) Wind-Powered Energy Systems Exemption (RSA 72:66)
 Disabled Exemption (RSA 72:37-b) Woodheating Energy Systems Exemption (RSA 72:70)

STEP 4 RESIDENCY

13. NH Resident for One Year preceding April 1 in the year in which the tax credit is claimed (Veterans' Tax Credit)
 NH Resident for Five Consecutive Years (Deaf) or At least Five Years (Disabled) preceding April 1 in the year the exemption is claimed
 NH Resident for Three Consecutive Years preceding April 1 in the year the exemption is claimed (Elderly Exemption)

STEP 5 OWNERSHIP

14. Do you own 100% interest in this residence? Yes No If NO, what percent (%) do you own?

STEP 6 SIGNATURES

Under penalties of perjury, I declare that I have examined this document and to the best of my belief the information herein is true, correct and complete.

Gordon D. Crosson
 SIGNATURE (IN INK) OF PROPERTY OWNER DATE: **2/5/17**

Sandra M. Crosson
 SIGNATURE (IN INK) OF PROPERTY OWNER DATE: **2/5/17**

PERMANENT APPLICATION FOR PROPERTY TAX CREDITS/EXEMPTIONS

MUNICIPAL AUTHORIZATION - TO BE COMPLETED BY MUNICIPAL ASSESSING OFFICIALS

VETERANS' TAX CREDIT

| MUNICIPAL TAX MAP | BLOCK | LOT | AMOUNT | GRANTED | DENIED | DATE |
|---|-------|-----|--------|-----------------------|-----------------------|------|
| <input type="checkbox"/> Veterans' Tax Credit RSA 72:28 (Standard \$50; Optional \$51 up to \$500) | | | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> All Veterans' Tax Credit RSA 72:28-b (Standard \$50; Optional \$51 up to \$500) | | | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Tax Credit for Service-Connected Total Disability (Standard \$700; Optional \$701 up to \$2,000) | | | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Surviving Spouse Tax Credit (Standard \$700; Optional \$701 up to \$2,000) | | | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Review Applicable Discharge Papers Form(s) | | | | | | |
| <input type="checkbox"/> Other Information | | | | | | |

VETERANS' EXEMPTION

Certain Disabled Veterans' Exemption Veteran Surviving Spouse GRANTED DENIED

APPLICABLE ELDERLY, DISABLED AND DEAF EXEMPTION INCOME AND ASSET LIMITS

CONTACT YOUR MUNICIPALITY FOR INCOME AND ASSET LIMITS

| Income Limits | Deaf Exemption | Disabled Exemption | Elderly Exemption | Elderly Exemption Per Age Category | |
|---------------------|----------------|--------------------|-------------------|------------------------------------|--|
| Single | | | | 65-74 years of age | |
| Married | | | | 75-79 years of age | |
| Asset Limits | | | | 80+ years of age | |
| Single | | | | | |
| Married | | | | | |

STANDARD and LOCAL OPTIONAL EXEMPTIONS (if adopted by the City/Town)

| | AMOUNT | GRANTED | DENIED | DATE |
|---|--------|-----------------------|-----------------------|------|
| <input type="checkbox"/> Elderly Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Improvements to Assist Persons with Disabilities | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Blind Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Deaf Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Disabled Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Solar Energy Systems Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Woodheating Energy Systems Exemption | | <input type="radio"/> | <input type="radio"/> | |
| <input type="checkbox"/> Wind-powered Energy Systems Exemption | | <input type="radio"/> | <input type="radio"/> | |

A photocopy of this Form (Pages 1 and 2) or Form PA-35 must be returned to the property owner after approval or denial.

The following documentation may be requested at the time of application in accordance with RSA 72:34, II.

- * List of assets, value of each asset, net encumbrance and net value of each asset.
- * State Interest and Dividends Tax Form.
- * Statement of applicant and spouse's income.
- * Property Tax Inventory Form filed in any other town.
- * Federal Income Tax Form.

* Documents are considered confidential and are returned to the applicant at the time a decision is made on the application.

Municipal Notes

| | | |
|--|---|---------------|
| _____ PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ DATE |
| _____ PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ DATE |
| _____ PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ DATE |
| _____ PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ DATE |
| _____ PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | _____ DATE |

PERMANENT APPLICATION FOR PROPERTY TAX CREDITS/EXEMPTIONS

GENERAL INSTRUCTIONS

| | | | |
|--|---|---|--|
| WHO MAY FILE | Applicant must be qualified as of April 1 of the year the exemption and/or tax credit is claimed. Financial qualifications required for certain exemptions must be met by the time of application. An applicant must have resided in this state for at least one year preceding April 1 in the year in which the veterans' tax credit is claimed. An applicant must have resided in this state for at least three years preceding April 1 in the year for which the elderly exemption is claimed and five years in which the deaf or disabled exemption is claimed. The terms owner, own or owned, shall include those persons who hold grantor/revocable trust, equitable title, or beneficial interest for life in the subject property. | | |
| WHERE TO FILE | Form PA-29 must be filed with the municipal assessing officials of the city/town where the tax credit or exemption is being requested. | | |
| WHEN TO FILE | <p>Form PA-29 must be filed by April 15 preceding the setting of the tax rate. The municipal assessing officials shall send written notice to the taxpayer of their decision by July 1 prior to the date of notice of tax. Failure of the municipal assessing officials to respond shall constitute a denial of the application. Example: If you are applying for a tax credit and/or an exemption for the 2014 property taxes, which are due no earlier than December 1, 2014, you have until April 15, 2014, to file this form. The municipal assessing officials have until July 1 to send notice of their decision. Failure of the municipal assessing officials to respond shall constitute a denial of the application. A late response or failure to respond by municipal assessing officials does not extend the appeal period. Date of filing is when the completed application is either hand-delivered to the municipality, postmarked by the post office, or received by an overnight delivery service.</p> <p>Pursuant to RSA 72:33, I-a, "If any person, otherwise qualified to receive an exemption or credit, shall satisfy the selectmen or assessors that he or she was prevented by accident, mistake, or misfortune from filing a permanent application or amended permanent application on or before April 15 of the year in which he or she desires the exemption to begin, said officials may receive the application at a later date and grant an exemption or credit for that tax year..."</p> | | |
| APPEAL PROCEDURE | If an application for a property tax exemption or tax credit is denied by the municipality, an applicant may appeal in writing on or before September 1 following the date of notice of tax under RSA 72:1-d, to the NH Board of Tax and Land Appeals (BTLA) or to the Superior Court in the county where the property is located. Example: If you were denied an exemption from your 2014 property taxes, you have until September 1, 2015, to appeal. Forms for appealing to the BTLA may be obtained from the NH BTLA, 107 Pleasant Street, Concord, NH 03301; their website at www.nh.gov/btla ; or by calling (603) 271-2578. Be sure to specify EXEMPTION APPEAL . | | |
| TAX CREDITS | Tax credits approved will be deducted from the property tax amount. | | |
| EXEMPTIONS | Tax exemptions approved are deducted from the amount of the property owner's total assessed value prior to the calculation of tax due. | | |
| ELDERLY EXEMPTIONS RSA 72:39-a | <p>Applicant must have resided in this state for at least three consecutive years preceding April 1 in the year which the exemption is claimed. Property must be: owned by a resident; or owned by a resident jointly or in common with the resident's spouse, either of whom meets the age requirement for the exemption claimed; or owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable age requirement for the exemption claimed; or owned by a resident, or the resident's spouse, either of whom meets the age requirement for the exemption claimed, and when they have been married for at least five years.</p> <p>Property cannot have been transferred to the applicant from a person under the age of 65, and related to the applicant by blood or marriage, within the preceding five years.</p> <p>Property must meet the definition of residence per RSA 72:39-a, I(c), which includes the housing unit, which is the person's principle home and related structures such as a detached garage or woodshed. It does not include attached dwelling units and unattached structures used or intended for commercial or other non-residential purposes. If fractional interest is owned, see RSA 72:41, Proration.</p> | | |
| ELDERLY, DEAF and DISABLED FINANCIAL QUALIFICATIONS RSA 72:39-a RSA 72:38-b RSA 72:37-b | INCOME LIMITATION | Includes: Income from any source including Social Security or pension. | Excludes: Life insurance paid on the death of an insured; Expenses and costs incurred in the course of conducting a business enterprise; Proceeds from the sale of assets. |
| | ASSET LIMITATION | Includes: The value of all assets, tangible and intangible. | Excludes: The value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The value of any good faith encumbrances. |
| ADA COMPLIANCE | Individuals who need auxiliary aids for effective communication in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964. | | |

**TAX CREDIT/EXEMPTION
APPLICATION RECOMMENDATION**

To: Select Board
Town of Lee

Date: March 6, 2017

From: Scott Marsh, CNHA
Municipal Resources
Contract Assessors' Agents

RE: Veteran Tax Credit
Tax Map 015 Lot 001-600

The above referenced application and supporting documentation was received and reviewed. It appears that David George Kerr does qualify for the Veterans' Tax Credit. It is recommended that the application be approved for the 2017 tax year.

If there are any questions, please let me know.

RECEIVED
MAR 06 2017

TOWN OF LEE, NH

FORM
PA-29

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
PERMANENT APPLICATION FOR PROPERTY TAX CREDITS/EXEMPTIONS
DUE DATE APRIL 15 PRECEDING THE SETTING OF THE TAX RATE

PROPERTY OWNER NAME

KERR
PROPERTY OWNER NAME

015-001-600
TAX MAP | BLOCK | LOT

STEP 1 OWNER AND APPLICANT INFORMATION

OWNER: DAVID GEORGE KERR
 APPLICANT'S LAST NAME: KERR APPLICANT'S FIRST NAME: DAVID MI: G PHONE NUMBER: (603) 496-1845
 APPLICANT'S LAST NAME: APPLICANT'S FIRST NAME: MI: PHONE NUMBER:
 MAILING ADDRESS: 397 PACKERS FALLS RD
 CITY/TOWN: LEE STATE: NH ZIP CODE: 03861
 PROPERTY ADDRESS: 397 PACKERS FALLS RD TAX MAP: 15 BLOCK: 01 LOT: 0600
 IS THIS YOUR PRIMARY RESIDENCE? YES NO

STEP 2 VETERAN'S INFORMATION

1. APPLICANT IS THE: Veteran Spouse Surviving Spouse
 2. APPLYING FOR: Tax Credit Veterans' Standard (RSA 72:28) Tax Credit for Service-Connected Total Disability (RSA 72:35) Tax Credit for Surviving Spouse (RSA 72:29-a "...of any person who was killed or died while on active duty...") Certain Disabled Veterans (Exemption) (RSA 72:36-a)
 3. Veteran's Name: DAVID GEORGE KERR Dates of Military Service: Enter (MMDDYYYY) 4. Date of Entry: 02/22/2006 5. Date of Discharge/Release: 03/02/2012
 IF A VETERAN OF ALLIED COUNTRY: (RSA 72:32)
 6. Name of Allied Country Served in: Branch of Service: ARMY 8. Please Check One. US Citizen at time of entry into Service Alien but resident of NH at time of entry into Service
 9. Does any other eligible Veteran own interest in this property? YES NO If YES, provide name:

STEP 3 STANDARD EXEMPTIONS

10. Elderly Exemption (Must be 65 years of age on or before April 1 of year for which exemption is claimed) (RSA 72:39-a) (Enter numbers only MMDDYYYY) 10a. Applicant's Date of Birth: 10b. Spouse's Date of Birth:
 11. Improvements to Assist Persons with Disabilities (RSA 72:37-a)
LOCAL OPTIONAL EXEMPTIONS (If adopted by city/town)
 12. Blind Exemption (RSA 72:37) Solar Energy Systems Exemption (RSA 72:62)
 Deaf Exemption (RSA 72:38-b) Wind-Powered Energy Systems Exemption (RSA 72:66)
 Disabled Exemption (RSA 72:37-b) Woodheating Energy Systems Exemption (RSA 72:70)

STEP 4 RESIDENCY

13. NH Resident for One Year preceding April 1 in the year in which the tax credit is claimed (Veterans' Tax Credit)
 NH Resident for Five Consecutive Years (Deaf) or At least Five Years (Disabled) preceding April 1 in the year the exemption is claimed
 NH Resident for Three Consecutive Years preceding April 1 in the year the exemption is claimed (Elderly Exemption)

STEP 5 OWNERSHIP

14. Do you own 100% interest in this residence? Yes No If NO, what percent (%) do you own? :

STEP 6 SIGNATURES

Under penalties of perjury, I declare that I have examined this document and to the best of my belief the information herein is true, correct and complete.
 SIGNATURE (IN INK) OF PROPERTY OWNER: DATE: 3/1/2016
 SIGNATURE (IN INK) OF PROPERTY OWNER: DATE:

WHEN TO FILE Form PA-29 must be filed by April 15 preceding the setting of the tax rate. The municipal assessing officials shall send written notice to the taxpayer of their decision by July 1 prior to the date of notice of tax. Failure of the municipal assessing officials to respond shall constitute a denial of the application. (See instructions for more details)

APPEAL PROCEDURE If an application for a property tax exemption or tax credit is denied by the municipality, an applicant may appeal in writing on or before September 1 following the date of notice of tax under RSA 72:1-d, to the NH Board of Tax and Land Appeals (BTLA) or to the Superior Court in the county where the property is located. (See instructions for more details)

PERMANENT APPLICATION FOR PROPERTY TAX CREDITS/EXEMPTIONS

MUNICIPAL AUTHORIZATION - TO BE COMPLETED BY MUNICIPAL ASSESSING OFFICIALS

VETERANS' TAX CREDIT

MUNICIPAL TAX MAP BLOCK LOT

| | AMOUNT | GRANTED | DENIED | DATE |
|---|----------------------|-----------------------|-----------------------|----------------------|
| <input checked="" type="checkbox"/> Veterans' Tax Credit (Standard \$50; Optional \$51 up to \$500) | 500. | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Tax Credit for Service-Connected Total Disability (Standard \$700; Optional \$701 up to \$2,000) | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Surviving Spouse Tax Credit (Standard \$700- Optional \$701 up to \$2,000) | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Review Applicable Discharge Papers Form(s) <input type="text"/> | | | | |
| <input type="checkbox"/> Other Information <input type="text"/> | | | | |

VETERANS' EXEMPTION

Certain Disabled Veterans' Exemption Veteran Surviving Spouse

GRANTED DENIED

APPLICABLE ELDERLY, DISABLED AND DEAF EXEMPTION INCOME AND ASSET LIMITS

CONTACT YOUR MUNICIPALITY FOR INCOME AND ASSET LIMITS

| Income Limits | Deaf Exemption | Disabled Exemption | Elderly Exemption | Elderly Exemption Per Age Category | |
|---------------------|----------------------|----------------------|----------------------|------------------------------------|----------------------|
| Single | <input type="text"/> | <input type="text"/> | <input type="text"/> | 65-74 years of age | <input type="text"/> |
| Married | <input type="text"/> | <input type="text"/> | <input type="text"/> | 75-79 years of age | <input type="text"/> |
| Asset Limits | | | | 80+ years of age | <input type="text"/> |
| Single | <input type="text"/> | <input type="text"/> | <input type="text"/> | | |
| Married | <input type="text"/> | <input type="text"/> | <input type="text"/> | | |

STANDARD and LOCAL OPTIONAL EXEMPTIONS (If adopted by the City/Town)

| | AMOUNT | GRANTED | DENIED | DATE |
|---|----------------------|-----------------------|-----------------------|----------------------|
| <input type="checkbox"/> Elderly Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Improvements to Assist Persons with Disabilities | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Blind Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Deaf Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Disabled Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Solar Energy Systems Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Woodheating Energy Systems Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |
| <input type="checkbox"/> Wind-powered Energy Systems Exemption | <input type="text"/> | <input type="radio"/> | <input type="radio"/> | <input type="text"/> |

A photocopy of this Form (Pages 1 and 2) or Form PA-35 must be returned to the property owner after approval or denial.

The following documentation may be requested at the time of application in accordance with RSA 72:34, II.

- * List of assets, value of each asset, net encumbrance and net value of each asset.
- * Statement of applicant and spouse's income.
- * Federal Income Tax Form.
- * State Interest and Dividends Tax Form.
- * Property Tax Inventory Form filed in any other town.

* Documents are considered confidential and are returned to the applicant at the time a decision is made on the application.

Municipal Notes

| | | |
|---|--|------|
| PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | DATE |
| PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | DATE |
| PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | DATE |
| PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | DATE |
| PRINT / TYPE NAME OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | SIGNATURE (IN INK) OF SELECTMEN / MUNICIPAL ASSESSING OFFICIAL | DATE |

ABATEMENT RECOMMENDATION

TO: Select Board
Town of Lee

FROM: Scott P. Marsh, CNHA
Municipal Resources Inc.
Contracted Assessor's Agents

DATE: March 6, 2017

RE: Roy & Kane Dibella

Property Tax Map 028 Lot 001-082
Address: L82 Ferndale Acres

Tax Year: 2015
Assessment: \$3,900

The subject was a camper on rented land. Abatement is requested as camper was sold in the summer of 2016. As this is the case, it is recommended to grant an abatement for the unpaid taxes of 2015 totaling \$126 (p1 was \$64 and p2 was \$62).

The new owner, Sherri Early, is paying the 2016 p2 portion.

Please note abatement recommendation is to close tax billing system.

Abatement Granted

Abatement Denied

Dated _____

ABATEMENT RECOMMENDATION

TO: Select Board
Town of Lee

FROM: Scott P. Marsh, CNHA
Municipal Resources Inc.
Contracted Assessor's Agents

DATE: March 6, 2017

RE: Roy & Kane Dibella

Property Tax Map 028 Lot 001-082
Address: L82 Ferndale Acres

Tax Year: 2016
Assessment: \$3,900

The subject was a camper on rented land. Abatement is requested as camper was sold in the summer of 2016. As this is the case, it is recommended to grant an abatement for the first issue billing in the amount of \$63 plus any applicable interest/penalties/fees.

Please note abatement recommendation is to close tax billing system.

Abatement Granted

Abatement Denied

Dated _____

ABATEMENT RECOMMENDATION

TO: Select Board
Town of Lee

FROM: Scott P. Marsh, CNHA
Municipal Resources Inc.
Contracted Assessor's Agents

DATE: March 6, 2017

RE: Jennifer Seger
2 Murphy Road
Peabody, MA 01960

Property Tax Map 31 Lot 4-201
Address: L01 Wellington Campground

Tax Year: 2016
Assessment: \$1,500

The subject was a camper on rented land. Abatement is requested as camper was sold/removed. As this is the case, it is recommended that an abatement in the amount of \$19.52 plus any applicable interest/penalties/fees be granted.

Please note abatement recommendation is to close tax billing system.

Abatement Granted

Abatement Denied

Dated _____

ABATEMENT RECOMMENDATION

TO: Select Board
Town of Lee

FROM: Scott P. Marsh, CNHA
Municipal Resources Inc.
Contracted Assessor's Agents

DATE: March 6, 2017

RE: Wellington Campground
95 Lee Hook Road
Lee, NH 03861

Property Tax Map 31 Lot 4-223
Address: L23 Wellington Campground

Tax Year: 2013
Assessment: \$5,400

The subject was a camper on rented land. Abatement is requested by campground owner as camper was removed in 2015. As this is the case, it is recommended that an abatement in the amount of \$203.49 plus any applicable interest/penalties/fees be granted for tax year 2013.

Please note abatement recommendation is to close tax billing system.

Abatement Granted

Abatement Denied

Dated _____

**ABATEMENT
RECOMMENDATION**

TO: Select Board
Town of Lee

FROM: Scott P. Marsh, CNHA
Municipal Resources Inc.
Contracted Assessor's Agents

DATE: March 6, 2017

RE: Wellington Campground
95 Lee Hook Road
Lee, NH 03861

Property Tax Map 31 Lot 4-223
Address: L23 Wellington Campground

Tax Year: 2014
Assessment: \$5,400

The subject was a camper on rented land. Abatement is requested by campground owner as camper was removed in 2015. As this is the case, it is recommended that an abatement in the amount of \$160 plus any applicable interest/penalties/fees be granted for tax year 2014.

Please note abatement recommendation is to close tax billing system.

Abatement Granted

Abatement Denied

Dated _____

**PROCEDURES FOR CLOSING TOWN OFFICES
FOR NON-ESSENTIAL PERSONNEL**

ESSENTIAL PERSONNEL: Unlike other departments, the Highway, Police and Fire Departments MUST keep the town running 24 hours a day, 365 days a year. All personnel in these departments are to be considered essential personnel who are required to keep town roads open and ensure safety for the residents of Lee and, therefore, are not a part of this policy.

The following departments are considered non-essential for the purposes of this policy: Selectmen/Assessors Office; the Town Clerk/Tax Collector Office; the Planning & Zoning/CEO office; Police Administrative Assistant; and the Transfer Station (decisions regarding the Lee Library are made by the Library Trustees.)

There are at times situations that may require the closing of town offices, either for inclement weather or other situations that might make it difficult and/or dangerous for personnel to report to work. In that event, this procedure should be followed:

1. The Police Chief, Fire Chief and Highway Supervisor will confer when they deem it necessary due to sudden adverse weather conditions or when the forecast indicates weather severe enough to warrant closure of non-essential services. If it is determined to be in the best interest of the Town, its employees and residents to close, they will contact the Select Board Chairman, who will make the final determination. The Chairman may choose to delegate this authority.
2. If a decision is made to close, the Town Administrator will be notified, who will then advise all Town Department Heads and post notice via an email alert and on the Town website, if possible. The Police and Fire Chiefs will post notice on their respective Facebook pages, and may assist the Town Administrator with other notifications, as necessary, along with the Deputy Emergency Management Director.
3. The Town Administrator will also contact WMUR Channel 9 and WOKQ with the information.
4. Department Heads are responsible for notifying their employees.

In the event that Town offices are closed by the Select Board Chairman or his/her designee, non-essential employees will be paid at straight time for their scheduled work hours during the period of closure. However, these hours will not count as time worked in the calculation of overtime hours.

Adopted by the Lee Select Board on this date _____

Scott Bugbee, Chairman

John LaCourse, Selectman

Cary Brown, Selectman



To: William Watson,
Administrator, Bureau of Planning & Community Assistance
New Hampshire Department of Transportation

From:
Scott Bugbee
Chair, Select Board, Lee, NH

Tom Gauthier
Chair, Select Board, Epping, NH

Re: Mutual support for intersection safety improvements at NH125 & NH155

Dear Mr. Watson:

As part of the New Hampshire Ten Year Plan project solicitation process, officials and staff from Lee and Epping had separate discussions with Strafford Metropolitan Planning Organization staff regarding local project priorities for submission to the upcoming draft Ten Year Plan. Although the intersection is within the borders Epping, both communities placed a high priority on improving safety at the intersection of NH state routes 155 and 125. This intersection is on NH125, which is a critical route for local residents, regional commuters, and freight traffic traveling through the region. NH 155 is the primary North-South local route through Lee.

Multiple factors contribute to safety hazards at the intersection in question:

- High volumes of automobile and freight traffic
- High travel speeds and traffic volumes on US125 create significant safety hazard for vehicles merging with NH125 traffic
- The curve and grade of NH125 reduces sight distance and reaction times for travelers waiting to enter NH125 from NH155
- Congestion on NH125 during peak AM and PM travel times further impairs safety for vehicles turning from NH155.
- A curve in the section of NH125 south of the NH155 intersection leads to a reduced sight distance and shorter reaction times for drivers.

As the regional population increases and more businesses look to the 125 corridor in multiple communities, local safety concerns are on the rise. In light of the existing safety concerns and the intersection's importance to both communities, Epping and Lee would like to demonstrate their shared support for the implementation of safety improvements at the intersection of NH155 and NH125. Addressing the significant safety concerns at this intersection is a priority for both communities and we would like to advocate for its inclusion in the Statewide Ten Year Plan. Please see the attached information related to traffic volumes and crash data.

Thank you for considering this matter.

Sincerely,

Scott Bugbee
Chair, Select Board, Lee, NH

Tom Gauthier
Chair, Select Board, Epping, NH

Members of the Lee Select Board

Members of the Epping Select Board

Planned Work to Finish Remaining Section of Little River Park

Intent – Get some sort of grass growing on the remaining area of LRP to minimize erosion and to allow for activities associated with the fair and other recreational activities. Grade per plan so runoff goes from the ball field area towards the soccer field area (right to left facing the field). Use materials on site as described below. Proceed as soon as conditions allow this spring to get grass to germinate before the area dries out. Hopefully it could be ready for seed by April 20 th. The intent is to get sustainable grass growing that can be mowed occasionally, not to construct a playing quality field. Below is the plan. All work to be done with Highway Department resources.

Step 1- Mix the four piles of light loam, heavy, loam, screened ditching's and composted wood chips shown in the picture below and pile mixed material beyond the wood chip pile on the edge of the field out of the way. Hopefully this will make a decent loam product. This will have to be the first step to clear the area to enable leveling.



Continue to next page

Step 2- Spread and grade out the piles shown below in this picture to fill in the sags, hollows, and low spots to level the area off. The material is kind of a loamy fill.



Continue to next page.

Step 3 -Spread out the material in the pile shown below over the material spread in #2 as a cushion and subsoil layer for the top layer of loam. This pile is a mixture of sandy loam and subsoil material.



4- Spread out the mixed loam pile that was set aside in Step 1 and grade off. York rake, pick rocks, etc. Lime, fertilize and seed with a relatively inexpensive seed such as conservation mix.

5-Pray for rain showers, sun, and warm temperatures.

The End.