

SELECT BOARD MEETING MINUTES

February 14, 2017

PAGE 1

Board members present: Chairman Bugbee, Selectman LaCourse and Selectman Brown

Others present: Jim Banks, John and Anne Tappan, Paul and Annie Gasowski, Randy Stevens, Finance Officer Joanne Clancy, Treasurer Ben Genes, Chief Tom Dronsfield, Chief Scott Nemet and Town Administrator Julie Glover.

Not present: Town Secretary Denise Duval

1. Chairman Bugbee calls the meeting to order at 6:30 pm.
2. Chairman Bugbee opens the meeting up to public comment.

John Tappan, Stepping Stones Road, states that he and his wife came to the Public Safety Complex the night before for the Select Board meeting and no one was here. He went home and checked the website and there was nothing there that indicated it had been canceled or postponed. He is wondering if there was an oversight or does the Town not have the technology or ability to remotely put up a notice on the website. He thinks if the latter is the case then the Town should consider making this possible for someone to do in the future. TA Glover states that there was an email blast that went out to everyone who subscribes to the E-Crier or News and Events online. (Jim Banks states he got it.) Chairman Bugbee asks if we could notify WMUR the next time we close.

Jim Banks reads a letter he is going to submit to the Board.

“A few days before the 1st of February, 2017, ZBA hearing, I noticed an abutter mix-up that would have caused that hearing to be invalid. At my request, Caren Rossi, Planning and Zoning Assistant, rescheduled it to a later date.

At the rescheduled hearing, I mentioned to her that I had not seen a legal notice in the paper for the reschedule. I asked how the original abutters were re-notified so this reschedule hearing would be legal.

She said that she sat in the empty hearing room on February 1st to notify any attendees that the hearing was moved to the later date.

The easy way to accomplish this would have been to re-advertise and re-notify the abutters. But this would have cost the town a couple hundred dollars. I commend her for making a personal effort that resulted in this savings to the town.

I enjoy working with Caren and feel that she is a real Planning and Zoning asset to the town.

Please keep this letter in her file for her next performance review.”

3. Chairman Bugbee welcomes Ben Genes, Town Treasurer, who is here to talk about the unassigned fund balance. Mr. Genes gives a brief history of the fund balance which only starting meeting the requirements of the percentages recommended by the DRA when TA Glover came on board in 2013. Prior to that there wasn't a lot of budget discipline. Now that that has been corrected, Mr. Genes states that we are seeing a consistent number. Mr. Genes explains that there are 3 years of budgeting going on at the same time. \$2.3 million is the number that the auditors provided for the 2016 fund balance. As a reminder, the fund balance is not a reflection of the free cash we have to run the town. The town expends \$14-15 million per year on expenses. 2/3 of that or more is the school (\$900,000 per month) and county (\$1.2 million per year). The town needs to have \$1 million or so per month to pay expenses. Mr.

Genes states that the Town of Lee's financial policy is to maintain a balance of \$1 million of free cash. He adds that twice a year the balance gets low; 10 months of the year the town is a negative cash flow enterprise until we receive tax payment monies. The Town has not had a problem with making this work ok with \$2 million in the fund balance. He and TA Glover have reviewed the uncollected tax revenue situation. The Town needs to consider unpaid taxes when using the fund balance per Mr. Genes. TA Glover states that the uncollected tax revenue including penalties and interest as of last week is \$788,000. The DRA recommends 8-17% and the Town's policy recommends 12%. Mr. Genes is comfortable with having a fund balance @ \$2 million net the back taxes. Selectman LaCourse thinks that it is disingenuous to fund the Trust Funds with the fund balance. Mr. Genes explains how 'he' plays banker managing the cash during the year. He (the Town) funds capital expenses and then they get paid back at the end of the year by the Trustees. He does not know what the State average is for uncollected taxes. Chairman Bugbee states that there are certain taxpayers in town that let their property go to tax lien then they pay the bill just before deeding. Mr. Genes reviews the cash flow analysis for FY16 with the Board. The town has a good relationship with the school. The school bill is paid in late December. Mr. Genes states that the town does have a CD for \$500k that they do not touch. They have a money market with the bank and funds can be moved into the checking if necessary. Chairman Bugbee says that it is a balancing act between how tight can we get while also giving money back to the taxpayers. He reviews the history of the fund balance. In 2007 the fund balance was \$205,000 then it went up into the millions. He hears what Mr. Genes is saying but he still wants to give back to the taxpayer. Mr. Genes does not want to become cash poor and have to worry about paying bills. The financial position of the town is excellent per Mr. Genes. There is not a lot of debt. The town is financially strong. Chairman Bugbee asks if TA Glover can check with the auditor Vachon regarding whether they book the penalties and interest as an asset.

Mr. Genes states as a taxpayer, that there is more we probably could be doing on the expense side. He would support a more strategic approach to reducing the tax rate. He appreciates the efforts that have been made but what would it take to reduce the tax rate by 10%? It would take hard decisions. He supports the Board making the tough choices. TA Glover points out that they could never achieve that with the school portion that they have. Mr. Genes acknowledges that.

Chairman Bugbee asks for the cash flow analysis for the next meeting from Mr. Genes and the Finance Officer.

John Tappan shares an article that he found in the NHMA Newsletter titled "Your credit quality matters." The Bond Bank monitors the credit quality of its borrowers throughout the term of their loans. Specifically the Bond Bank tracks several different factors which relate to the financial strength of participants. Some of these financial factors and corresponding state averages are shown in table one. The Bond Bank also monitors financial statistics including metrics such as unassigned fund balance. The Bond Bank board of directors compares statistics for each borrower to Moody's average the NH rated communities during the monitoring process of the credit quality of the borrowers. One of the ratios that they look at is unassigned general fund balance as a percent of revenues and they compare that with Moody's averages for NH rated communities where it is 15.6%. The Town has serious needs for buildings. A lower rating would give us a higher interest rate and thus cost the tax payers more money.

TA Glover informs the Board that Aa3 is the Town's Moody's rating which was done in September 2016.

4. This item has been moved to February 27th.
5. a) Randy Stevens presents an engineering proposal from Right Angle Engineering for the Tuttle Road culvert work to help with obtaining a grant. This quote is for \$14,650 which includes the wetland permitting but it does not include the construction engineering. Chairman Bugbee states that we were denied the FEMA grant and asks if we can apply again. Mr. Stevens said if there were to be another flood then there is possibility that FEMA funds would become available again to apply for. Chairman Bugbee moves to authorize the Highway Supervisor to enter into an agreement with Right Angle Engineering to do the engineering and wetland permitting necessary for the Tuttle Road Beaver Brook culvert replacement and road raising. Selectman Brown, seconds. All in favor. **Motion Carries.**

b) Randy Stevens states that they don't normally post the roads, but it's getting so expensive to fix the damage that is done by overweight vehicles. Back in 1986, the Board voted to do a weight limit on all town roads for 55,000 lbs. There was a lot of gravel going on back then with the pits and developments. This is a preliminary conversation. The police department would enforce this by contacting the state police to come weigh the trucks or take them to a weigh station. Chief Dronsfield will make some calls to see how other towns are handling this. Mr. Stevens would have to post signs to make enforcement legal. Selectman LaCourse wants to move forward on this. Durham posts from March 15th to April 30th. Mr. Stevens will produce a list of roads and the cost to post these roads for the next meeting.
6. Chief Dronsfield presents the Board with an updated State gas agreement. They rarely use them but sometimes need to after hours. The Board approved and the Chair signed the agreement.
7. a) Waiting for the Rec Commission to review the OYRA MOU.

b) TA Glover presents the Board with the Powder Major documents for approval and signatures. Chairman Bugbee moves to approve the Conservation Easement and related closing documents as presented for the conveyance of an easement on the Goss property aka Powder Major Farm. Selectman LaCourse, seconds. All in favor. **Motion Carries.**

c) TA Glover states that Annie Gasowski requested that the Board revisit the language for the Voters Guide explanation for Warrant Article 4. Chairman Bugbee is ok with it except for the last part of the sentence; he is not agreeing to building a new building at a location of the town's choosing. TA Glover clarifies that the DRA said we could not write a WA that had either or language. The explanation is different. Chairman Bugbee says that this is giving the impression to the voter that it could be used to build a new building. He does not agree with this.

John Tappan says that DRA said we could not use the word or, but that the Board could craft the WA in a way to say renovate, add-on or build a new building. Chairman Bugbee says that the WA specifically says Town's Library Building and does not mention a new building.

Selectman LaCourse did not read it that way. It was a generality to him. Selectman LaCourse suggests taking out everything after “to make capital improvements”. The Board agrees. TA Glover says that the Voters Guide will be mailed out by the printer by the end of this week.

John Tappan asks why the Voters Guide was not discussed at the Board meeting prior to approval. No one can recall.

d) Selectman LaCourse states that with regards to office closings due to bad weather, in the past, it was accepted that if the police chief, fire chief, road agent and TA all agreed to close then the Select Board does not get involved because whatever they recommend due to safety issues he is not going to second guess. Chairman Bugbee would rather have the conversation with the Chiefs and then have the Chair decide or designate others to decide. TA Glover will draw up a policy for the Board to sign.

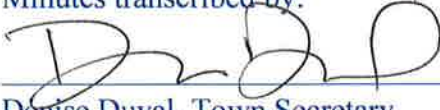
8. Chairman Bugbee moves to accept the Consent Agenda as presented. Selectman LaCourse, seconds. All in favor. **Motion Carries.**
9. Chairman Bugbee moves to accept the Public and Non Public Meeting Minutes from January 30, 2017. Selectman LaCourse, seconds. All in favor. **Motion Carries.**
10. Chairman Bugbee moves to accept the Manifest #16 and Weeks Payroll Ending February 12, 2017. Selectman LaCourse, seconds. All in favor. **Motion Carries.**
11. Chairman Bugbee moves to enter into Non-Public Session per NH RSA 91-A: 3 II (c) at approximately 7:37 pm. Selectman LaCourse, seconds. Roll Call Vote. **All Agree following Roll Call Vote. Motion Carries.**
12. Chairman Bugbee moves to seal non public meeting minutes. Selectman LaCourse, seconds. Roll Call Vote. **All Agree following Roll Call Vote. Motion Carries.**
13. Chairman Bugbee reminds everyone that there is a Facilities Committee meeting tomorrow night. There are 4 options; 1, 2, 2D, and 5. They are going to recommend going forward with 2D and if they can't get the church property then they will recommend 5. The meeting tomorrow night will have all the costs associated with the options and the ADA and code violations. The Heritage Commission will be present and there will be a grant discussion. There will be a representative from Chocorua, NH to add to the historical discussion.
14. Chairman Bugbee will entertain a motion to adjourn at approximately **8:53 pm**. Selectman LaCourse so moves. Selectman Brown, seconds. All in favor. **Motion Carries.**

SELECT BOARD MEETING MINUTES

February 14, 2017

PAGE 5

Minutes transcribed by:

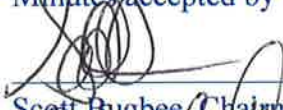


Denise Duval, Town Secretary


3/13/17

Date

Minutes accepted by The Lee Select Board:



Scott Bugbee, Chairman



John LaCourse



Cary Brown