

MINUTES OF THE MARCH 24, 2014 BOARD OF SELECTMEN'S MEETING

MEMBERS PRESENT: Chairman David Canada, Selectmen Bruno Federico and Tim Copeland, and Town Administrator Paul Deschaine.

At 7:03 pm, Mr. Canada opened the meeting and then moved to go into non-public session to discuss an issue that would affect the reputation of another, not a member of the Board of Selectmen, and a second issue dealing with a personnel matter. Mr. Copeland seconded the motion, which passed unanimously.

At 7:28 pm, Mr. Canada moved to come out of non-public session and to seal the minutes due to the nature of the matters discussed. Mr. Copeland seconded the motion, which passed unanimously.

TREASURER'S REPORT: Deb Bronson reported that there is \$4,906,690.33 in the general checking account.

SECRETARY'S REPORT: Mr. Federico moved to approve the amended minutes from the regular meetings on March 10, 2014, and March 17, 2014. Mr. Copeland seconded the motion, which passed unanimously.

NEW BUSINESS: Vicky Avery with the Stratham Fair Committee reported that the annual Fair will be held at Stratham Hill Park on July 17 – 20, 2014. The committee is requesting to have a beer tent again this year on the 18th & 19th near the main stage. The beer tent would only be open when entertainment is on the stage. The tent will be sponsored by Smutty Nose with Liberty Catering providing the service. The sponsor will pay for the tent, extra porta-potties, and the extra police needed.

Mr. Copeland asked if the Fair Association makes any money from the sale of beer. Ms. Avery responded that they do not. She explained that the beer tent is just an added feature of the Fair and although they do not make any money, it doesn't cost the Fair Association any money to have the tent. Chief Scippa commented that having the beer tent last year caused no problems and it was well attended. The Chief said they would not need more than one extra police officer but he would recommend that the tent stays in the same location as last year and add a second fence around the entirety of it to help facilitate keeping underage people far enough away from the beer tent. Mr. Canada moved to allow the beer tent again this year, adopting Chief Scippa's recommendations, and

to authorize Paul Deschaine to sign any applications needed for the tent event. Mr. Federico seconded the motion, which passed unanimously.

Mr. Canada asked about the Park reservation for July 7—26, 2014, including all of the pavilions. Ms. Avery said that they would not need the main pavilion. Mr. Canada moved that the Fair Association be allowed reserve the entire park from July 7 through July 26, 2014, with the exception of the Front Pavilion. Mr. Copeland seconded the motion, which passed unanimously.

MEETINGS: The Chair then reviewed the meetings scheduled for the coming week and reviewed the meetings held this past week.

PARK PERMITS/MUNICIPAL CENTER RENTALS:

The following Park permits and Municipal Center rentals were discussed and acted upon:

Susan Bendroth requested the use of the Stratham Hill Park Scamman Pavilion on April 28, 2014 for the Acorn School Annual Earth Day. Mr. Copeland moved to approve the request and waive the fee. Mr. Canada seconded the motion, which was passed unanimously.

Ryan Peters requested the use of the Stratham Hill Park Scamman Pavilion on August 8, 2014 for a UNH company picnic. Mr. Copeland moved to approve the request. Mr. Federico seconded the motion, which was passed unanimously.

Dileep Kolli requested the use of the Stratham Hill Park Scamman Pavilion on June 15, 2014 for a Balagokulam picnic. The request was approved.

Astrid Wielens requested the use of the Stratham Hill Park Scamman Pavilion on August 6, 2014 for the Zebra Crossings day camp. Mr. Copeland moved to approve the request and waive the fee. Mr. Federico seconded the motion, which passed unanimously.

Jamie Bristol requested the use of the Stratham Hill Park Front Pavilion on June 14, 2014 for a baby shower. The request was approved.

Michael Perry requested the use of the Stratham Hill Park Scamman Pavilion on June 15, 2014 for a graduation party. The request was approved.

ADMINISTRATION:

Mr. Deschaine reported that he met with Terry Barnes and Lincoln Daley to brainstorm about recommendations for the Board for the Code Enforcement Officer and Building Inspector positions. They are two part-time positions which are currently held by one person, Terry Barnes, who will be retiring on June 30, 2014. They recommend that one person be initially hired full-time to hold both positions. Once that person is fully trained, a second part-time person be hired as Building Inspector. Mr. Deschaine believes that the Code Enforcement Officer has enough duties to be a full-time position. Mr. Canada said that the Board will review the documents Mr. Deschaine presented and discuss this further next week.

NEW BUSINESS CONTINUED: Peter Bragdon, Executive Director of HealthTrust NH, was present at the meeting to discuss the Board's concerns with HealthTrust's settlement agreement with Property Liability Trust. The Property Liability Trust was ordered to pay \$17.1 million to HealthTrust because HealthTrust predecessor had, over the course of the years, provided money to Property Liability Trust's predecessor which used part of the funds to subsidize its Workers' Compensation program because the Workers' Compensation division ran at a loss. The Health Trust Board was faced with a situation where if the court were to rule to uphold the Bureau of Security Regulations (in the Secretary of State's Office) order then Property Liability Trust would be insolvent because it didn't have \$17.1 million. He explained that from the HealthTrust Board's perspective, the agreement was the best way to maximize the amount of money that they could collect to return to their members. Barring the settlement agreement, Property Liability Trust would have been insolvent, which meant that any payment they made for any claim would be a preferential payment under bankruptcy laws, and any payment they

made to HealthTrust would be a preferential payment as well. As such, payments could be ordered returned by the Bankruptcy Court after long litigation. Mr. Bragdon stated that he understands there has been concern that this is being done to avoid having to comply with the order, but he said that he can assure the Board of Selectmen that it is not. HealthTrust Board's priority concern is how to get as much back as possible. The Workers' Compensation program is now running at break-even or better, and the goal is to get back the entire \$17.1 million eventually. It has been made clear through the Supreme Court ruling that you cannot subsidize one program with another.

Mr. Federico asked if the companies have staff actuaries. Mr. Bragdon responded that they used contracted actuaries. Mr. Copeland said that he is frustrated that the LGC is a monopoly in New Hampshire. Mr. Bragdon explained that the entity started as the Municipal Association in 1941 and at some point morphed into a conglomerate with LGC at the top with various smaller groups underneath them. In September 2013 they split up and are now separate organizations. The Municipal Association does lobbying, education and training as a separate organization with a separate Board of Directors and a separate executive director. HealthTrust is a risk pool management program which has a separate Board of Directors and its own Executive Director. There is now a clearly delineated wall between the various entities.

Mr. Canada commented that he believes things are better and he certainly wants HealthTrust to stay – we are participants of it and they treat us well and everyone is pretty satisfied with it. It is a good thing that HealthTrust has a Board comprised of our peers that oversees the organization but lately it seems that it is asleep at the switch. What we have had was bureaucratic empire building of the first order – the LGC spent \$2 million defending their turf with our dime and it is just is not right. Mr. Canada explained that the BOS letter to the Secretary of State did not say we are against the agreement, but that we have lost confidence in the ability of the successors of the LGC to properly analyze, convey, and implement the agreement. After many warnings and concerns expressed by many, the former LGC kept digging their heels in and spending more public money. That is why we have lost confidence. What our letter asks is that the Secretary of State independently verifies the best options for HealthTrust, specifically to see if the agreement is the best course of action. Mr. Bragdon said that he is a strong believer in a strong Board and believes the efforts of Dave Lang resulting in transparency have helped. The HealthTrust Board will have to realize that everyone is watching and they need to do things diligently. Health Trust's insurance company did pay over \$1 million for the legal costs to defend us against legal charges. There were 6 charges filed against the LGC– 4 we prevailed on in the initial ruling and 2 we did not. One of those two was appealed to the Supreme Court who ruled our way on some issues and against us on others.

Mr. Deschaine commented that one concern he had was that the shared assets were not accounted for as an asset of Property Liability Trust in the list of assets. Mr. Deschaine said he wished there was better reporting supporting the agreement because he believes that when you get to the full value of the organization, there will be \$17 million there. He asked what special efforts will be made to make sure the assets are transparent to everyone, because currently it is unclear now. Mr. Bragdon commented that the only shared asset left was the real estate itself and as part of the settlement agreement we get all of their assets. The cash value of that will be sent back to the members as well. The Board's intent is to send back everything they get in the form of cash to the members, although part of the return might be stock in a building. The agreement was made in October as a contingency. The HealthTrust Board asked: "if you lose this you will owe us money; how will we get as much back as possible?" That was discussed in

September and the agreement was signed in October, but the court did not rule until January. The Board is now trying to determine the exact value of Property Liability Trust.

Mr. Deschaine asked why if Primex was able to reach an accord and School Care was able to reach an accord why does the HealthTrust Board not want the Secretary of State's Office to enter into that same type of agreement with them? Mr. Bradgon responded that there has been a long history of bad relations between the former LGC and the Bureau of Securities under the Secretary of State. He acknowledged that Primex and School Care did reach an agreement with the Secretary of State and the former LGC fought tooth and nail. However, he pointed out that School Care had regrets. In mid-December School Care filed a suit in Hillsborough County Superior Court against the BSR saying that if the agreement is enforced they will go out of business. That suit is still pending.

Mr. Bradgon concluded the conversation with the Board by saying that it will take time to build back trust. HealthTrust has taken some positive steps—we replaced our CFO and hired the CFO from the New Hampshire Liquor Commission who was a former auditor with the Legislative Budget office. We just hired a new Risk and Control Officer who also was a former auditor. We are beefing up internal controls because we are committed to good recordkeeping and financial information. We are committed to establishing a good working rapport. The Board thanked Mr. Bradgon for attending.

Mr. Canada brought a draft Selectmen's Newsletter for the Board to consider. Mr. Copeland and Mr. Federico approve of the Newsletter – it will be sent out tomorrow.

Mr. Canada commented on the lighting in the Commercial District stating that he drove by in the early morning hours and the lights were very bright. Mr. Federico commented that the Planning Board has complained about the lighting numerous times. It has had Mr. Barnes talk to business owners and he reported that they cut back on their illumination. Mr. Canada said that every light was on at some businesses— he does not know if they have dimmers on their lights, but it did not look very dim. Other commercial companies use low lighting at night and do not seem to have problems. Businesses that are not open 24 hours a day should not need to have all of their lights on in the night. Mr. Canada asked if the Planning Board had set limits on the site plan. Mr. Federico said there is a lighting plan. Mr. Deschaine said that each site has an individual lighting plan. Mr. Federico said that he has driven by AutoFair at 4:00 in the morning and they had the lights dimmed, and he is wondering if someone forgot to dim the lights on the day that Mr. Canada drove by in the early morning. Mr. Federico mentioned that the Honda Barn sign has changed from a black background to a red background with white lettering – the Planning Board needs to find out what happened because they were approved for a sign with black background with red lettering. Mr. Canada said that we may need an ordinance that prohibits any business from having a light level above a certain number of foot candles when they are not actually open. Mr. Canada encouraged Mr. Federico to take the issue to the Planning Board and have them look into it.

Mr. Canada reported that he has been in contact with the people who have expressed an interest in a cell tower. They have an interest in placing a cell tower on the top of the hill at Stratham Hill Park. He is not sure if they are thinking of having it on the existing fire tower or a separate pole. Mr. Canada asked the Board if they are interested in having them come to the next BOS

meeting. Mr. Copeland said that if it is going to be a structure that will obstruct the 360 degree view from the tower then he would say no. Mr. Federico said that there is justification to have the conversation, Stratham does need a tower. The Board agreed to talk with the people who have an interest in a cell tower.

At 8:49 pm, Mr. Canada moved to adjourn. Mr. Copeland seconded the motion, which passed unanimously.

Respectfully submitted,

Debbie Hensley
Executive Assistant