

Town of Swanzey, New Hampshire
Board of Selectmen
Meeting – April 29, 2014
Swanzey Town Hall, 620 Old Homestead Highway, Swanzey, NH

CALL TO ORDER

Present were Selectmen W. William Hutwelker III, Deborah J. Davis and Kenneth P. Colby, Jr. The meeting was called to order by Chair Kenneth P. Colby, Jr. at 6:00 p.m. at the Swanzey Town Hall. Also present was Town Administrator Shane O’Keefe and Recording Secretary Beverly Bernard.

OTHERS PRESENT

Resident William Carson, Jr., Director of Public Works Lee Dunham

MINUTES

- Regular meeting of April 22, 2014 – **motion** was made by Davis to accept the regular meeting minutes of April 22, 2014. The motion was seconded by Hutwelker and all were in favor. ***Motion passed.***
- Non-Public meeting #1 of April 22, 2014 – **motion** by Davis to accept the non-public #1 meeting minutes of April 22, 2014. The motion was seconded by Hutwelker and all were in favor. ***Motion passed.***
- Non-Public meeting #2 of April 22, 2014 – **motion** by Davis to accept the non-public #2 meeting minutes of April 22, 2014. The motion was seconded by Hutwelker and all were in favor. ***Motion passed.***

OLD BUSINESS

Lane Field Liability Insurance Coverage

Following up on a request from the Board at the previous meeting, O’Keefe said that his investigation found that anyone doing community service on Town property that is court ordered is not covered by the Town’s Insurance. He also mentioned that it was adults and not children that would be doing the community service. O’Keefe was asked to look into whether Cheshire County could provide coverage.

Tax Deed Properties

A brief discussion was held regarding whether waivers of liability were required for those entering properties being sold by the Town. O’Keefe noted that they were required and had been used at the recent showing of properties.

Timber Harvest

Hutwelker asked about the Timber Harvest and cleanup at Potash Bowl. O’Keefe said the logger informed the Town prior to the work being done that they could take the trees around the Potash Bowl down as requested by the Town but they would not be able to chip the debris given the physical constraints of the property. The Board was also told that there was someone other than the loggers who was ready to take the trees. It was decided to research further as to who might be willing to take the trees and clean up the area.

Payment arrangement – William Carson, Jr., 296 Eaton RD (Map 49, Lot(s) 3-2)

On May 1, 2012 the Board approved a payment agreement with Mr. Carson of \$100/month with a condition that the 2010 tax lien must be satisfied by April 13, 2013. This was not done as required and, while payments have been made some have been missed. O’Keefe noted that the amount due to avoid tax deed this year is over \$11,000, and total amount owed to the Town is \$23,630. Given the interest payments, not even \$1,000/per month would erase the tax deeding amount in the coming year.

Mr. Carson was present to discuss his tax situation. He said he has been trying to pay \$200 a month to the Town and in June he can raise it to \$300 per month. He also said he anticipates renting a room in his home such that with that rental he will be able to pay \$700 a month to the Town. And he can put \$1,000 on taxes owed when he receives his tax return. Carson said his health hasn’t been the best for the past several years. It was noted that he would need to pay more than \$1,000 a month to catch up with taxes owed.

Carson talked about the possibility of obtaining a reverse mortgage or a home equity line of credit as suggested by O’Keefe. Colby said the Board needs to get a commitment from Carson about a payment schedule. Davis said that for now the Town could arrange for \$700 per month until Carson has a chance to obtain a home equity line of credit. At that point Carson can re-negotiate the monthly payment or pay off his debt. Hutwelker suggested a meeting between Carson and the Town Administrator to follow up regarding whether or not Carson has obtained a home equity loan. A decision was made to revisit Mr. Carson’s situation in a month.

Carson left at 6:25 p.m.

Request for Proposals for Main Street reconstruction engineering

As a result of the Main Street Advisory Committee’s report to the Selectmen of July 2013, the Board requested that a Request for Proposals (RFP) be prepared for design/conceptual plans for reconstruction and rehabilitation of Main Street. Public Works Director Lee Dunham presented an RFP for consideration by the Board. Discussion occurred regarding the RFP Services. There is an option to hire a consultant. The Chair asked for questions. Hutwelker asked for timeframe for actual work being done. Dunham said it is more likely to be next year’s construction season.

Hutwelker **moved** to authorize the issuance of the Request for Proposals for engineering services related to the reconstruction of Main Street in West Swanzey. The motion was seconded by Davis and there was no further discussion. All were in favor. **Motion passed.**

Update on Public Works Matters

Dunham updated the Board on Public Works matters. A discussion occurred regarding the status of the streets and roads. Dunham said he hasn’t had a chance to drive the Town roads which will give him an idea as to what needs to be done. A number of roads need work according to Dunham. If a gas tax passed by the Legislature as anticipated, Flat Roof Mill Road will be redone according to Dunham’s contact at the NH Department of Transportation.

Hutwelker asked about the striping machine and whether it had been purchased. Dunham said, “No”, and sees no need to purchase a machine that will only be used two weeks a year. Re-striping will occur in May. Dunham said storage space is limited for such a machine, and said that it is better to contract

out for the weeks needed. Colby mentioned the ladies who come in to the Board each autumn concerned with refreshing paint on the crosswalks for the opening of school. It was noted that painting in May is probably too early for the crosswalks to be distinct come autumn. Davis asked if Dunham could contract ahead of time to plan for the opening of school. Colby suggested that the painting be done around August 1st. Davis suggested that Dunham put a reminder for himself regarding the timing of the contract to stripe. Colby said that as an addendum to the bid process, Town Hall parking lot lines need to be painted and possibly the Police Department lot as well.

Hutwelker asked Dunham if tree removal at Ash Hill Road is planned for this year and Dunham said it was. O’Keefe suggested purchasing a striper in cooperation with two or three nearby towns to share a machine. Dunham said he would look into that.

Brief discussion occurred regarding Safford Drive and a request from the Cheshire Fairgrounds for an extra lane for one curb cut and an additional two-lane curb cut for Fair access.

O’Keefe raised the issue of the Potash Bowl and the trees left behind. He asked Dunham if he knew someone who could remove some of the debris. Dunham said he would look into it. Dunham left the meeting at 6:54 p.m.

Sale of tax deeded properties

At the previous meeting two of the four tax deeded properties advertised for sale received no bids (a third received a bid and the fourth was pulled from the sale), and the Board requested that the Town Administrator review the values and develop revised minimum bid amounts for consideration. Below were recommendations considered by the Board for the three properties to be reoffered for sale:

79 South Winchester ST (Map 72, Lot 63)	Previous Upset	Recommended Upset
Taxes & Sewer	27,327.05	27,327.05
Penalty (15% of AV)	17,179.60	5,000.00
Attorney Fees	227.41	227.41
Misc. Fees	1,000.00	1,000.00
Total	45,734.06	33,554.46
Rounded	45,700	33,500
Estimated additional pro-rata 2013 taxes*	1,614.06	1,614.06

Rabbit Hollow RD (Map 66, Lot 4)	Previous Upset	Recommended Upset
Taxes & Sewer	4,497.21	4,497.21
Penalty (15% of AV)	3,249.10	0
Attorney Fees	164.59	164.59
Misc. Fees	1,000.00	500
Total	8,910.9	5,161.80
Rounded	8,900	5,200
Estimated additional pro-rata 2013 taxes*	305.61	305.61

160 Goodell AV (Map 25, Lot 13-5)	Previous Upset	Recommended Upset
Taxes & Sewer	25,836.75	
Penalty (15% of AV)	26,006.32	
Attorney Fees	227.41	
Misc. Fees	1,000.00	
Total	53,070.48	
Rounded	53,000	No Change
Estimated additional pro-rata 2013 taxes*	2,443.05	2,443.05

* Assumes closing on July 1, 2014

After discussion the Board accepted the recommended lower price for Winchester Street and Rabbit Hollow Road properties. Hutwelker suggested informing the abutters of Rabbit Hollow Road of the availability of the property since it might have value to them. O’Keefe noted that he had notified the owner of surrounding properties in Swanzey, but would also notify Richmond abutters next time. No changes to the upset price for the Goodell Avenue property were recommended. O’Keefe would return with a recommended date for the next property auction soon.

Personnel Policy Review Committee

On April 23, 2013 the Board established a Personnel Policy Review Committee to review the Town’s personnel policy and make recommendations to the Board for improvements, and appointed the following individuals: Shane O’Keefe, Tom DeAngelis, Theresa Louder, Donna Clark, Ann Bedaw, and Michael Lilly. The Board has asked that the Committee to proceed with its efforts at this time. O’Keefe reported that Donna Clark from the Carpenter Home has indicated that she will be unable to participate with the Committee but the Carpenter Home’s Donna Allen has agreed to take her place, subject to Board approval. The Board also considered appointing Edna Coates, bringing the membership to seven.

Regarding the Personnel Policy Review Committee, Hutwelker **moved** to accept the resignation of Donna Clark, and appoint Donna Allen and Edna Coates for a Committee membership of seven people. The motion was seconded by Davis and no further discussion. All were in favor.

Motion passed.

Pilgrim Pines settlement

On April 1, 2014 the Board was updated by Chairman Colby on a meeting with Pilgrim Pines Conference Center Executive Director Dave Cairns and Rev. Howard Burgoyne, CEO of the Eastern Coast Conference the umbrella organization of which Pilgrim Pines is a member. On April 16, 2014 the Town Administrator and Selectman Kenneth Colby met with Town Counsel Gary Kinyon. O’Keefe and Colby updated the Board on that conversation and the Board discussed how best the negotiations should proceed.

Colby suggested the Town should stay as close to 66% of assessed value as possible while he noted Pilgrim Pines would prefer to pay taxes at 50%. There was a discussion regarding the A-9 and A-12 forms that religious and charitable organizations fill out for tax-exempt status and provide to the Town. Not-for profit organizations need to submit an A-9 or A-12 Form according to RSA 72:23-c. A-12 is for charitable tax-exempt, and A-9 is for all tax exempt organizations. Discussion about the report occurred. Counsel recommended that the Town submit a letter to known tax-exempt property owners requesting

a submission of an A-9 or A-12 based on RSA 72:23-c by May 15, 2014. The Board agreed and authorized O'Keefe to send the notices.

NEW BUSINESS

Whitcomb Hall Fundraiser

The Whitcomb Hall Committee is seeking approval from the Board to hold a fundraising event at Waxy O'Connor's Pub and Restaurant in Keene on June 3, 2014. At this time it is anticipated that 20% of a patron's total bill would be donated to the benefit of the Whitcomb Hall restoration effort.

Hutwelker **moved** to authorize the Whitcomb Hall Committee to hold a fundraising event at Waxy O'Connor's Irish Pub and Restaurant in Keene on or about June 3, 2014. The motion was seconded by Davis and no further discussion. All were in favor and ***motion passed.***

Carpenter Home coverage contract

The Board was asked to consider the approval of a contract with Judy Bohannon to provide coverage at the Carpenter Home while Administrator Dawn Rice is out on leave. The contract period is April 29, 2014 to May 11, 2014 and calls for Bohannon to receive \$15/day while on call and \$25/hour when called in for service with a 2-hour minimum.

Davis **moved** to approve and execute a service contract with Judy Bohannon for coverage at the Carpenter Home for the period April 29 to May 11, 2014 and if for any reason the contract period needs to be extended to authorize the Town Administrator to execute the extension. The motion was seconded by Hutwelker and there was no further discussion. All were in favor.
Motion passed.

2013 audit

In preparing the 2013 audit, Vachon Clukay & Company has raised an adverse opinion as the Town has not implemented GASB 45, accounting and financial reporting of employers for postemployment benefits other than pensions, which was required to be implemented in 2009. O'Keefe said he did speak to the auditor and learned that non-compliance is common among communities. However, he mentioned that if the Town seeks a bond issue, it could pose a problem, and it should be done. O'Keefe said that Bookkeeper Theresa Louder did some research and she found a company to work with to implement the GASB 45 requirement. The Board agreed to research GASB 45 compliance more thoroughly. O'Keefe will do more research and report back to the Board with some costs.

Further, deficiencies were raised in the report on internal controls regarding 1) the Tax Collector's methodology in preparing the NHDRA MS-61 Report, and 2) access and use of the Treasurer's stamp by Finance Office staff. Regarding the MS-61 report, O'Keefe reported that the BMSI software in use by the Town does not allow the Town to do the report automatically. The software report anticipates both sewer and water which is not appropriate to the Town. Therefore the report must be done manually.

As to the use of the Treasurer's stamp, the Treasurer now has the signature stamp in her possession so it seems this issue has been resolved.

Organizational Chart

Following up from a request made by the Board at the previous meeting the Town Administrator presented an organizational chart for Swanzey Town government for review by the Board. Hutwelker said he thought the chart was well done.

PUBLIC HEARINGS

The Public Hearing was opened by the Chair at 7:02 p.m.

Pursuant to RSA 41:14-a, the acquisition and conveyance of land and other property rights related to the Safford Drive extension project. (2nd Hearing)

This was the second of two public hearings required for the acquisition and conveyance of land and other property interests related to the extension and construction of Safford Drive, to connect NH Routes 12 and 32. The first hearing was held on April 15, 2014.

The project calls for the Town to acquire a 2.62-acre portion of existing Tax Map 19, Lot 97-5 (owned by 234 Old Homestead Highway Realty, LLC) and a 1.15-acre portion of existing Tax Map 19, Lot 94 (owned by the Cheshire Fair Association) to lay out Safford Drive. The project also calls for the Town to acquire an additional .091-acre portion of Lot 97-5 (to be designated at Tax Map 19, Lot 97-7) for location of a water service booster station and eventual conveyance to the North Swanzey Water and Fire Precinct, and a 1.15-acre portion of Lot 94 (to be designated as Tax Map 19, Lot 94-2) to be conveyed to Monadnock Homestead, LLC for merger with Tax Map 19, Lot 64 (site of Clearwater Pool and Spa). Lastly, the Town will acquire easements along NH Route 12 from Monadnock Homestead, LLC for eventual conveyance to the State of New Hampshire Department of Transportation.

On April 7, 2014 the Conservation Commission considered the proposal and voted “to approve the acquisition of land and development related to the Safford Drive Extension project”

On April 10, 2014 the Planning Board considered the proposal and voted “to approve of the acquisition of properties shown as proposed Tax Map 19, Lot 97-7 and proposed Tax Map 19, Lot 94-2 and conveyance and disposition of same for the purpose of completion of the Safford Drive Project in regard to the proposed layout of Safford Drive”.

The Chair asked for any testimony from the public and there was none.

Public Hearing closed at 7:03 p.m.

O’Keefe updated the Board on the status of the Safford Drive property sales/conveyances.

OTHER MATTERS

Business Operations Assessment (Continue meeting to April 30, 2014 at 12:30 PM)

As individually agreed to a week or so ago, the Board will meet with representatives of the consulting firm of Municipal Resources, Inc. to participate in the ongoing Business Operations Assessment. This assessment was agreed to back on February 11, 2014.

The Board was asked to continue its April 29 meeting to April 30, 2014 at 12:30 p.m. at Town Hall to meet briefly with the consultant team.

Lawsuit for the School District

Hutwelker asked if the Town was still involved in the Troy lawsuit against the Monadnock School District which was dismissed by the court. O'Keefe said that the Town is no longer involved.

Non-public session(s) per RSA 91-A:3II(e), Consideration or negotiation of pending claims or litigation.

Motion by Davis to enter Non-public session pursuant to RSA 91-A:3II(e) , Consideration or negotiation of pending Claims or Litigation. The motion was seconded by Hutwelker. The Selectmen voted unanimously by roll call to go into non-public session at 7:53 p.m. **Motion passed.** Present were the Board members Kenneth P. Colby, Jr., Deborah J. Davis and W. William Hutwelker, III, Town Administrator Shane O'Keefe and Recording Secretary Bernard. **Motion** was made by Davis to leave non-public session and return to public session. The motion was seconded by Hutwelker, with all in favor. **Motion passed.** Non-public session ended at 7:56 p.m.

Motion was made by Davis to seal the minutes of the non-public session. The motion was seconded by Hutwelker. The Selectmen voted unanimously by roll call to seal the minutes. **Motion passed.**

Capital Improvement Program (CIP) committee update

O'Keefe updated the Board on the status of the review of the architect's program to replace facilities in Town by the CIP. Costs were discussed for the desired program. One of the proposals was to look at the property at Carlton Road and State Route 32, which is currently up for sale, for a complex of Town facilities including Fire, Police, and Town Hall. Davis said the major problem is the Town doesn't have any land to work with. The issue with Town Hall is that the building is in need of major renovation just to bring it up to safety codes and to fix it is estimated at nearly \$500,000. The roof trusses are in poor shape, and whether the building is renovated or not, the roof may fail and the Town will need to address that. The Police Department is also crowded. There was also discussion about what could be done with the existing properties should the Town decide to build new facilities.

Discussion ensued regarding the possibility of speaking with the Monadnock School District about use of their land.

CONSENT AGENDA

Motion was made by Davis to approve the Consent Agenda and authorizing the chair to sign where necessary. Second was made by Hutwelker. All were in favor. **Motion passed.**

- Open Container Permit #2014-02, Altitude North Productions, Cheshire Fairgrounds, May 30 & May 31, 2014.
- Open Container Permit #2014-03, Brown Field Committee, Brown Memorial Field, 731 West Swanzey Road.
- Event Permit #2014-11. Wray Murdough – Motorcycle swap meet on May 4, 2014 at the Cheshire Fairgrounds. Note: Police and Fire Department requirements – see permit form for details. Also: 1) that the application fee of \$200.00 shall be paid to the Town prior to issuance

of the permit; 2) compliance with all requirements of Town emergency response personnel; 3) that the property owner/sponsor shall be responsible for all costs of emergency response personnel at special duty rates and equipment as determined by the Town, and 4) that the Town reserves the right to amend the estimated costs for emergency response personnel and equipment at any time prior to either event based on any changing circumstances of the events.

- Event Permit #2014-16. Jim Devine – Memorial Day Parade on May 26, 2014 at the Cutler Elementary School, Thompson Bridge and Veteran’s Memorial. No Police/Fire Department requirements.
- Appointment paperwork for Tax Collector Lori Belletete.

CONTINUATION OF MEETING

Motion to continue the meeting to Wednesday April 30, 2014 at 12:30 p.m. was made by Hutwelker, second by Davis. All were in favor. **Motion passed.** Continuation occurred at 8:08 p.m.

Respectfully Submitted,



Beverly Bernard, Recording Secretary

RECONVENE

The meeting begun on April 30, 2014 was reconvened by Chair Colby at 12:30 p.m. at Swanzey Town Hall. Present were Selectmen Kenneth P. Colby, Jr., Deborah J. Davis and W. William Hutwelker III. Also present was Town Administrator Shane O’Keefe.

Sale of tax dedeed properties

Following up on the decision made at the April 22, 2014 meeting to sell Town-owned property at 159 Cobble Hill Road (Map 72, Lot 63) to Gary Phippard (CB98, LLC), the Board executed the deed of sale and agreed that the Town Administrator O’Keefe would attend the closing and execute any closing documents on behalf of the Board.

Business Operations Assessment

At 12:35 p.m. and Municipal Resources, Inc. consultants Michael Everngam and Kevin Clougherty joined the meeting, and introductions were made.

Everngam explained that they were meeting with the Board as part of the Business Operations Assessment being funded by the Town’s insurer, HealthTrust, in which they are reviewing the Town’s practices and internal controls to help the Town avoid risks.

Colby raised the matter of this exercise being voluntary, and that the firm has not been hired by the Town.

Everngam mentioned that they are examining practices through interviews and document reviews, and are providing suggestions with staff on potential improvements. Based on a day and a half of interviews so far, he said that the Town has some very well qualified employees, and had two primary

concerns of which the Board should be aware:

The first is the Town's system of internal controls. There is not enough separation of roles with those involved with financial matters, creating an opportunity for problems and an inability for adequate checks and balances, or the ability to detect errors. One recommendation was to require Human Resources personnel to input salary data and not the Finance Office, who then prepare the payroll manifests. Another recommendation was greater involvement of the Town Administrator with review of payroll manifests. He also mentioned the need for the Treasurer to do monthly reconciliations and not Finance Office staff. The adoption of an internal control policy in keeping with RSA 41:9,VI was stated as being essential to the Town. It was recommended that the Town review its existing financial contracts and consider soliciting new banking, audit and other long-term service contracts, as it is just good practice to do so and may provide for better deals for the Town.

The second concern was the adverse opinions in the 2013 Town audit, which need to be addressed. Evergam noted that he understood that the Board had discussed the audit during the first part of the meeting, the night before. Of primary importance here is that the Town has not implemented GASB 45, accounting and financial reporting of employers for postemployment benefits other than pensions, which was required to be implemented in 2009. He noted that this could have a negative impact on the Town's availability and cost of borrowing. O'Keefe noted that the Board has asked him to get prices for the cost of having this work done this year. Other audit conditions were discussed, each of which were already being addressed by the Board and staff.

Clougherty reiterated that Town staff interviewed so far appeared to be good, contentious people, and added that it was his impression that there would only be structural changes recommended, such as better alignment of tasks in some departments. He noted that there is a lot of money coming in to various departments and that the income handling process should be centralized, most likely to the Tax Collector's office. He also suggested that the payroll process be better separated, as Evergam had noted earlier.

The potential for economic development concerns with the adverse postemployment benefits audit matter were discussed. Clougherty suggested having the financial report on this matter completed to get the issue done and over with.

He went on to say that the Town's book of policies was excellent, though some policies need to be updated. He noted that recent creation and updating of written job descriptions was well done.

The two consultants summarized their work so far and again mentioned that the Town has some very good employees, that Internal controls need attention, that training for better proficiency would be helpful. They said the Town is facing growth issues, and faces additional State and federal governmental compliance requirements as it grows. They will be providing a report to the Board and the Town's insurer in 4 to 5 weeks.

Colby agreed with the assessment of the quality of Town employees and the need to redistribute work assignments, and not necessarily hiring new staff, to address internal controls. He also agreed with the notion that despite the rural nature of much of the community, Swanzey is now a large community with all the issues and requirements that go along with that characterization. Clougherty said that he felt that structural changes need to put in place due to the growth of the town, and that the report

will likely recommend changing some responsibilities, job descriptions and the organizational chart.

Davis left the meeting at 1:00 p.m.

Colby mentioned that he had had some apprehensions about consultants coming to examine the Town's business practices, and is supportive of the notion provided it is on a positive note.

Clougherty again mentioned financial contracts and inquired about how the Town chose its current bank, Citizens Bank. Discussion ensued regarding new advances in banking and banking options that the Town can explore, such as scanners to ease deposit efforts. He stressed that keeping up on information technology is more and more important to attaining greater efficiency and accuracy with finances.

Everngam and Clougherty thanked the Board and left the meeting at 1:15 p.m.

Town Administrator

O'Keefe noted that he would be out of the office from the afternoon of Wednesday May 7 through Friday, May 9.

ADJOURNMENT

Motion to adjourn by Hutwelker, second by Colby. **Motion passed.** Adjournment at 1:20 p.m.

Respectfully Submitted,

Shane O'Keefe, Town Administrator

Approved on May 6, 2014.

Town of Swanzey, New Hampshire
Board of Selectmen
Non-Public Meeting Minutes #1 – April 29, 2014

Non-public session(s) per RSA 91-A:3II(e), Consideration or negotiation of pending claims or litigation.

Motion by Davis to enter Non-public session pursuant to RSA 91-A:3II(e) , Consideration or negotiation of pending Claims or Litigation. The motion was seconded by Hutwelker. The Selectmen voted unanimously by roll call to go into non-public session at 7:53 p.m. **Motion passed.** Present were the Board members Kenneth P. Colby, Jr., Deborah J. Davis and W. William Hutwelker, III, Town Administrator Shane O’Keefe and Recording Secretary Bernard.

Colby brought Hutwelker up to date regarding the lawsuit by Steve Stewart under United States Equal Employment Opportunity Commission (EEOC) rules. The EEOC determined that the commission would not file a lawsuit in Stewart’s name and that Stewart had the right to institute a civil action within 90 days (until June, 2014). The Town was notified of this determination by letter.

Motion was made by Davis to leave non-public session and return to public session. The motion was seconded by Hutwelker, with all in favor. **Motion passed.** Non-public session ended at 7:56 p.m.

Motion was made by Davis to seal the minutes of the non-public session. The motion was seconded by Hutwelker. The Selectmen voted unanimously by roll call to seal the minutes. **Motion passed.**

Respectfully Submitted,



Beverly Bernard, Recording Secretary

Approved on May 6, 2014.

These Minutes unsealed by the Board of Selectmen on March 10, 2015.