

BOARD OF SELECTMEN MEETING
Minutes of February 24, 2020

CALL TO ORDER: Chairman Ross McLeod called the meeting to order at 7:00 PM. Selectmen Bruce Breton and Roger Hohenberger were present, as was Town Administrator David Sullivan. Selectmen Heath Partington and Joel Desilets were excused. Mr. McLeod opened with the Pledge of Allegiance.

ANNOUNCEMENTS: None.

DONATION ACCEPTANCE: Al Letizio, Jr. gave an extensive presentation on the Great Hurricane of 1938 and its devastating impacts to communities in our region, casualties, and the aftermath; the latter of which included clean up operations and concerns regarding downed timber. He explained that the government at that time had assisted with the clean up, at no cost to property owners, and it was estimated that 1.6M board feet of lumber could have been salvaged in NH as a result; explaining that for economic reasons, 240 wet sites were set up around the state to store the wood, with site #28 being Canobie Lake. Mr. Letizio noted that logs were harvested, cut, and stamped "US" and then sunk in the Lake; however, after the war the logs were abandoned, eventually broke loose, and began to float.

Mr. Letizio noted that in 2018, he and the Marquis family had pulled out about six logs, which were taken to a man in Southern Maine; adding they had ultimately contracted with a marine lumber specialist who had helped dry the wood, which was ready in December of 2019. He explained he had then contacted Ret. Green Beret Master Sgt. Ryan Baker, who currently makes rustic, wooden American flags, and had then transported the wood from Maine to Stafford VA and commissioned Master Sgt. Baker to hand assemble 3'x5' flags; presenting the first of those completed to the Board with an accompanying plaque for display. Mr. Letizio then indicated his family plans to retrieve more wood over time, and to set up a non-profit corporation to create commemorative pieces.

Mr. Hohenberger moved and Mr. Breton seconded to graciously accept the wonderful gift from the Letizio family on behalf of the Town of Windham. Passed 3-0.

Brief discussion ensued regarding where to hang the flag, and the efforts of the HDC and Derek Saffie in assisting Mr. Letizio with research.

FINANCE DIRECTOR: Finance Director Daniel Popovici-Muller presented his fourth quarter update, as attached. Questions/discussion included:

- Mr. Breton commended the Fire Chief on a savings of \$33,000 in overtime. Mr. Sullivan clarified much of that had to do with the SAFER grant, but agreed the Chief had done a good job.
- Mr. Breton asked that the Route 28 Special Fund be looked at as far as its designation; which Mr. Sullivan clarified was specifically for response in the Route 28 area. Discussion ensued regarding the method of collection at the time, that some funds had been used towards a tanker, and that, given their age, the Board can now use them for whatever they'd like. Mr. Breton asked the name of the fund be changed so as not to give the wrong impression.
- Mr. Hohenberger inquired whether it made sense, as there is nothing on the horizon, to use the fire impact fees to pay down the Quint bond faster. Mr. Popovici-Muller felt it was appropriate to first use them for departmental needs. Discussion ensued with input from Chief McPherson regarding future capital needs; with Mr. Sullivan clarifying that the expiring funds are those which are used towards the bond payment.

PROPOSED FRANCHISE AREA/PHASE 1 REGIONAL WATER LINE: Mr. Sullivan reviewed the attached map with Board, explaining the green areas are those that Pennichuck would transfer to the Town of Salem, while the other is the former's existing franchise area which they will not surrender; adding that Salem only wants to manage those lots that directly abut Routes 28 or 111 and the Flat

Rock development. He noted that this will be back on the agenda in the future, however, a determination needs to be made sooner rather than later and the Public Utility Commission could take months to finalize it; adding it was hoped it can instead be done as a joint resolution through PUC staff without public hearings, etc.

Mr. Sullivan noted that residents of Aladdin Road did inquire as to whether they could tie into the line, and the area was originally part of that to be transferred to Salem, however Salem would rather amend the franchise in the future should that happen as they do not want to take on properties where water already exists or those that are developed; reiterating that the exception is the Flat Rock development as it is a condition of the Planning Board approval that they have water. Discussion ensued regarding Salem's concerns with existing water service being related to infrastructure.

Mr. Breton noted that the wells on Aladdin Road are low yield, which Mr. Sullivan indicated was the concern expressed to him by the residents. Further discussion ensued regarding previous well yield standards, and that the possibility of future tie-in would be part of a legal agreement with the Town of Salem rather than the franchise agreement.

Mr. Sullivan continued with his review of the map down to the Gateway district, noting that the Canobie Lake Veterinary hospital is the last lot involved.

Mr. Hohenberger inquired whether, if it would take 3-6 months to get an agreement through the PUC, properties can hook up to the line prior to that; noting the line is supposed to be completed in June. Mr. Sullivan replied that Pennichuck will hook up and then transfer the lots.

Mr. Hohenberger sought clarification as to what the Board's role was, and Mr. Sullivan noted that because it is occurring in our town, the Board is signing in concurrence with Pennichuck transferring part of their franchise. Discussion ensued in that this was not necessary before as Pennichuck owns the franchise. Mr. Sullivan indicated that the Town would be expressing agreement that this would now be an appropriate franchise. Discussion ensued.

David Tanis, Northland Road, approached and requested that, as part of the transfer, a clause be added to ensure that Salem is obligated to assist in cases of contamination, dry wells, etc.; indicating there should be some kind of wording to hold them accountable in those cases. Mr. McLeod noted it would seem that the PUC might look for such language.

Mr. Sullivan noted that the map had originally included Northland and Aladdin roads and that staff had been advised verbally by Salem that should such a thing arise, the latter is open to taking those properties on as they can then control how the infrastructure is built in order to meet their standards. He went on to note that if Northland wanted to tie in, and someone else were to pay for the cost of the line, Salem would be open to that. Discussion ensued regarding inclusion of language relative to existing infrastructure such as that at Aladdin being brought up to Salem specifications in order to hook up to the main line.

Mr. Hohenberger sought clarification regarding recovery of the MSDC costs, which Mr. Sullivan noted was still in negotiation; reiterating we are endeavoring to come to an agreement regarding what portion of their franchise Pennichuck will surrender. Discussion ensued in that one issue is independent of the other, as well as PUC requirements regarding public interest.

Karl Dubay approached noting that Windham Academy has frontage on Route 111; inquiring whether it could be included. Mr. Sullivan replied it had been originally, however, Salem had removed it. He indicated that they could tie in in the future if the school pays to bring the line down to Route 111. Discussion ensued and Mr. Breton inquired whether Mr. Dubay could send a letter to Salem to request a service connection. Mr. Sullivan reiterated the purpose of this agenda item was to get the Board's input in order to go back to Salem, and further, lengthy discussion ensued.

Gary Garfield noted that an earlier version of the map had included all abutting properties; adding there is no harm or foul if someone did not want a line immediately; expressing he did not know why Salem would want to piece meal it. Mr. Hohenberger inquired whether Salem had given a reason, and Mr. Sullivan noted the map the Board was reviewing was what Salem had come back with after a meeting between the towns and Pennichuck. Discussion ensued and Mr. Sullivan reiterated that Salem does not want to take on abutting properties which are already developed.

Mr. Popovici-Muller suggested that since this would be going to the PUC, the Board should ensure we are meeting all of their requirements, as well. Further discussion ensued regarding the abutting areas and Salem's rationale in selecting properties.

Mr. Dubay expressed concerns regarding the large amount of conservation acreage included, which will never be developed, and its impact on the numerator/denominator of acreage; adding it would seem we would penalized for including same and suggesting those parcels be taken out. Discussion ensued, with Mr. Dubay noting that El Hefni also has frontage, and has been left out, but conservation land is included which made no sense and was unfair. Mr. McLeod disagreed, noting it may be fair once the rationale is understood.

Further, lengthy discussion ensued regarding Salem's choice of properties, the ability for others to tie in at their own cost, which properties the Town had contacted to determine interest in tying in, and the original versus current map.

Mr. Sullivan advised he will contact Salem with the Board's concerns regarding those properties discussed that were not included. No further decisions were made.

WINCHESTER ESTATES WETLAND CROSSING PERMIT: Mr. Dubay, The Dubay Group, explained that the Planning Board had approved Winchester Estates, which encompassed an old cart path that crosses Flat Rock Brook. He indicated the intent was to construct a 24' span bridge over the brook at the narrowest point of the wetlands. Mr. Dubay noted he had been working with the NHDES, which is ready to approve the construction, however their policies require concurrence from abutting property owners in order to issue a permit for work within 20' of the property line; adding that this work will be done right alongside Town parcel 8B-550. Mr. Dubay then reviewed with the Board a plan of the bridge and its impacts, clarifying it will be a private road built to NHDOT and NHDES standards, and will not affect the Town property at all.

Mr. McLeod sought clarification as to whether portions of the Town property will be needed for the construction, and Mr. Dubay replied temporary construction easements would be needed. Discussion ensued regarding the Planning Board approval of same and NHDES requirements.

Mr. Hohenberger sought clarification as to how close to the property line the bridge would be, and Mr. Dubay replied right along the edge of the property as it is the narrow point. Discussion ensued as to whether that could impact future sale of the property, and it was noted it would not as it is to be a private road.

Mr. Hohenberger sought further clarification as to whether the Town would lose any legal rights on their property due to setback requirements because of the bridge. Mr. Dubay replied in the negative as the Town parcel is in the WWPD already; reviewing the map again to show the developable area of the Town parcel, the WWPD, and the proposed bridge.

Lengthy discussion ensued regarding the Town parcel, characteristics and value of same, as well as the design of the bridge, road, and related drainage.

Mr. Breton then moved and Mr. Hohenberger seconded that a letter be sent to the NHDES, and copied to Mr. Dubay, expressing the Board's concurrence with the wetland crossing as requested. Brief discussion ensued in that an email is also sufficient. Motion passed 3-0.

CASTLE HILL BRIDGE REPLACEMENT: Mr. Sullivan advised that the Town will soon be accepting two permanent easements in the area which are necessary for slopes/construction; adding that once those have been signed off, staff will finalize the information and place the project out to bid. He indicated the bids would be due in April, with construction to take place later in the summer. Mr. Sullivan also advised he will be bringing an amended agreement with Kleinfelder to the Board for signature, which is to allow them to oversee the construction; adding this is required as part of the grant funding. Mr. Hohenberger sought clarification as to when the bridge will be useable and Mr. Sullivan replied before the winter.

Mr. Hohenberger moved and Mr. Breton seconded to accept the easements as proposed. Passed 3-0.

OLD/NEW BUSINESS: None.

MINUTES: Mr. Hohenberger moved and Mr. Breton seconded to approve the minutes of February 10 as written. Passed 3-0.

NON-PUBLIC SESSION: Mr. Hohenberger moved and Mr. Breton seconded to enter into nonpublic session in accordance with RSA 91-A:3 II a and e. Roll call vote –all “yes”.

The Board and Mr. Sullivan were present in both sessions.

Personnel – Mr. Sullivan updated the Board on the status of an employee long term disability leave. Mr. Breton moved and Mr. Hohenberger seconded to have staff send the employee notice that the Town would fill the employee’s position should the individual be unable to return to work.

Legal – Mr. Sullivan updated the Board on a legal case. No decision were made.

Mr. Hohenberger moved and Mr. Breton seconded to exit non-public. Passed 3-0.

Mr. Hohenberger moved and Mr. Breton seconded to adjourn the meeting. Passed 3-0.
Meeting adjourned at 9:20 pm.

Respectfully submitted,

Wendi Devlin, Administrative Assistant
David Sullivan, Town Administrator

2019: Year-End Finance Update

Comparative Statement of General Fund Appropriations and expenditures:

Notes on the summary of budgeted appropriations, expenditures and balances for 2019:

Amounts in the “Balances Under/(Over)Expended” column reflect items which have come in under or over budget for 2019. The net under expended increases the Town’s 2019 year-end fund balance which once finalized and audited will be available to reduce the 2020 tax rate.

There are not a lot of significant actual to budget variances – most departments finished very close to the budgeted amount. A few highlights include:

- 1) Assessing exceeded their budget by 5k, 3k of which was due to Contracted Services exceeding the budget due to assessing appeal of Shaw’s to BTLA and 3k being carried over to 2020 for a Revaluation Contract with Cornell.
- 2) Legal Expenses is over budget by 59k, due to several higher than normal cases some of which were protracted, including Shaw’s tax appeal, a Planning Board appeal, several code enforcement cases, two ZBA appeals and two other general cases.
- 3) Police Department is at budget. Notable variances include Regular Salaries under budget by 60k due to vacancies, Overtime Salaries over budget by 92k due to the need to cover for vacancies, Health insurance under budget by 29k due to health insurance savings, Training under budget by 15k, Equipment under budget by 11k and Vehicle Equipment over budget by 31k due to the need to replace vehicle lost in accident.
- 4) Dispatching is under budget by 10k due to salary savings.
- 5) Fire Department is under budget by 145k, mostly due to savings of 15k in Health Insurance, 33k in Overtime Salaries, 27k in Retirement and 22k in training.
- 6) Road maintenance is 26k under budget after 161k in road work was carried over to 2020. The 42k in savings from Contracted services (winter) (due to a milder winter which required less plowing/sanding) offset the 21k over budget for the Regular Salaries (caused by an earned time buyout due to retirement).
- 7) Solid Waste is 9k over budget, mostly due to Vehicle Maintenance being 9k over budget and vehicle fuel being 5k over budget.
- 8) General assistance is 7k over budget due to a few heavy welfare assistance cases that significantly impacted the bottom line.
- 9) The library is 64k under budget, with most of the savings coming from the General Salaries (38k, due to vacancies during the year), Health Insurance (8k) and Other Library materials (6k).
- 10) Recreation is under budget by 4k after 22k in carryovers for the GP Tennis and Basketball Courts.
- 11) Cable Television is under budget by 15k, mostly due to savings in Health Insurance (7k) and Equipment (6k).

	2019 Apprpr.	Receipts,	Total	Total	Carryforwards	Balances
	Incl. 2018	Reimb. &	Amount	Expended	from '19	Unexpended
	Carryforwards	Grants	Available	in 2019	to 2020	(Overdrafts)
General Government						
TOWN OFFICERS SALARIES	3,330		3,330	3,014		316
ADMINISTRATION	778,590		778,590	714,412	56,665	7,513
TOWN CLERK	335,365		335,365	326,343		9,022
TAX COLLECTOR	152,765		152,765	148,475		4,290
ELECTIONS	23,220		23,220	13,453		9,767
CEMETERY	47,650		47,650	35,633	6,200	5,817
GENERAL GOVT BUILDINGS	455,320		455,320	422,018		33,302
ASSESSING	196,805		196,805	198,676	2,900	(4,771)
INFORMATION TECHNOLOGIES	251,590		251,590	248,887		2,703
TOWN MUSEUM	6,630		6,630	2,606		4,024
SEARLES BUILDING	10,670		10,670	16,176		(5,506)
LEGAL SERVICES	50,400		50,400	109,876		(59,476)

2019: Year-End Finance Update

	2019 Appopr.	Receipts,	Total	Total	Carryforwards	Balances
	Incl. 2018	Reimb. &	Amount	Expended	from '19	Unexpended
	Carryforwards	Grants	Available	in 2019	to 2020	(Overdrafts)
Public Safety						-
CONTRACTED FIRE SERVICE	0		-	0		-
CONTRACTED POLICE SERVIC	5		5	0		5
POLICE	3,415,565		3,415,565	3,417,226		(1,661)
DISPATCHING	500,250		500,250	489,952		10,299
FIRE	3,752,872		3,752,872	3,607,552		145,320
EMERGENCY MANAGEMENT	6,670		6,670	8,148		(1,478)
COMMUNITY DEVELOPMENT	539,390		539,390	536,359		3,031
Highways, Streets, Bridges						-
ROAD MAINTENANCE	1,318,150		1,318,150	1,130,828	161,240	26,082
STREET LIGHTS	18,910		18,910	18,263		647
Sanitation						-
SOLID WASTE DISPOSAL	1,048,790		1,048,790	1,058,292		(9,502)
Health						-
HEALTH AND HUMAN SERVICE	51,110		51,110	45,264		5,846
Welfare						-
GENERAL ASSISTANCE	40,540		40,540	47,254		(6,714)
Culture and recreation						-
LIBRARY	1,217,750		1,217,750	1,149,306	4,350	64,094
RECREATION	267,422	10,913	278,335	251,821	22,430	4,083
HISTORIC COMMISSION	9,000	2,775	11,775	6,028	1,360	4,387
CONSERVATION COMMISSION	6,910		6,910	4,166		2,744
SENIOR CENTER	5,430		5,430	4,422		1,008
CABLE TELEVISION	124,565		124,565	109,170		15,395
Debt Service						-
DEBT SERVICE	161,513		161,513	161,915		(402)
INTEREST	20,896		20,896	21,712		(816)
Capital Outlay						
CASTLE HILL BRIDGE 05705	423,200		423,200	92,444	330,756	(0)
ROAD IMPROVEMENTS	300,000		300,000	300,000		-
AMBULANCE	100,000		100,000	100,000		-
TOWN FOREST IMPROVEMENT	9,000		9,000	0	9,000	-
PROPERTY TRUST	75,000		75,000	75,000		-
DISPATCH COMMAND CENTER	664		664	189		475
MARSTON-FINN DAM	300,000	29,579	329,579	115,429	214,150	-
FIRE DEPT RADIOS 2018	9,986		9,986	9,983		4
TOWN COMMON BEAUTIFICATION	2,664	42,500	45,164	45,164		-
WATER LINE 2018	28,410		28,410	13,874		14,536
FACILITY MAINT TRUST USE	39,795		39,795	39,795		-
CONSERVATION LAND ACQUIS	2,000,000		2,000,000	2,000,000		-
SOLID WASTE TRUCK 2019	130,000		130,000	125,115		4,885
Capital Reserve Funds						-
Rail Trail Reserve Fund	50,000		50,000	50,000		-
Special Articles						-
SAFER GRANT 2019	40,000		40,000	22,525		17,475
AFG GRANT COMPRESSOR 2019	50,000		50,000	0	50,000	-
PURCHASE OF WATER ALLOTMENT	750,000		750,000	715,000		35,000
Grants - Reimbursable						
Highway Truck Grant 2016	180,000		180,000	0	180,000	-
Others						
RETIREMENT	4,000		4,000	0		4,000
INSURANCE	372,285	750	373,035	350,319		22,716
ABATEMENTS	0		-	39,298		(39,298)
Totals	19,683,077	86,517	19,769,594	18,401,386	1,039,051	329,157

2019: Year-End Finance Update

Budgeted versus Actual Revenue Highlights

As seen in the Revenue report below which reflects the revenues used for setting the tax for 2019 and the actual revenues for 2019 and 2018, this year's revenues were \$256,756 over the budgeted amounts (102.3% of budget) – a normal performance.

Comparing actual 2019 and 2018 revenues, the General Fund revenues increased by \$3,550,203, mostly due to the \$2,805,000 in proceeds from bond issuance (no bonds were issued during 2018) and the 151,124 in additional revenue from the Fund Balance.

The remaining increase of \$727,444 represents an 9.5% increase from the previous year. Notable increases include \$153,766 in motor vehicle permit fees, \$79,610 in Interest and Penalties on Taxes, \$102,042 in a Shared Revenue Grant from the state of New Hampshire, \$85,573 in interest on deposits, \$236,192 in Other state/federal grants, \$110,010 in Insurance/Other Reimbursements/refunds and \$212,998 in donations. These increases were offset by a \$128,498 drop in Income from Trust Funds, a decrease in revenues of \$69,464 from building permits and of \$74,600 in Planning Board fees and a \$63,172 drop welfare reimbursements. Due to an increase in gross appropriations that was mostly offset by the increase in revenues, the amount needed to be raised through taxation only increased by \$32,006. Although some portions of the revenue budget remain steady from year to year, such as cable franchise fees, other portions tend to vary from year to year and have an impact on the resulting Town tax rate.

REVENUE REPORT - VARIANCE ANALYSIS AS OF DECEMBER 31, 2019					
Unaudited	Tax rate est.	Actual	Actual	Increase	2019 % of
	Revenue	Revenue	Revenue	(Decrease)	Estimate
SOURCES OF REVENUE:	For 2019	12/31/2019	12/31/2018	19 vs. 18	Received
TAXES					
Yield/Excavation Tax	\$ 5,100	\$5,070	\$3,391	\$1,679	99.4%
Interest & Penalties on Taxes	238,000	238,652	159,042	79,610	100.3%
Misc. Taxes - PILOT	10,850	3,532	21,305	(17,773)	32.6%
Boat Taxes	15,800	16,082	16,507	(425)	101.8%
Subtotal Taxes	\$269,750	\$263,336	\$200,245	\$63,092	97.6%
INTERGOVERNMENTAL REVENUES					
Highway Block Grant	347,794	\$347,273	\$341,031	\$6,242	99.9%
Rooms and Meals	745,999	745,999	742,470	3,528	100.0%
Shared Revenue Grant	98,555	102,042	-	102,042	N/A
Subtotal Intergovernmental Rev.	\$1,192,348	\$1,195,313	\$1,083,501	\$111,812	100.2%
LICENSES AND PERMITS					
M V Permit Fees	4,075,000	\$4,067,575	\$3,913,809	\$153,766	99.8%
Building Permits	207,000	196,829	266,293	(69,464)	95.1%
Subtotal M V/Building Permits	\$4,282,000	\$4,264,404	\$4,180,102	\$84,302	99.6%
Other Licenses and Permits:					
Dog Licenses	22,200	\$22,684	\$21,727	\$957	102.2%
Animal Officer Fees	425	550	525	25	129.4%

2019: Year-End Finance Update

<i>Planning Board Fees</i>	42,675	33,643	108,243	(74,600)	78.8%
<i>Board of Adjustment Fees</i>	9,000	10,370	8,334	2,036	115.2%
<i>Town Clerk Miscellaneous</i>	45,000	51,165	44,574	6,591	113.7%
<i>Gun Permits</i>	1,200	1,155	750	405	96.3%
<i>Subtotal Other Licenses/Permits</i>	\$120,500	\$119,567	\$184,153	\$ (64,586)	99.2%
CHARGES FOR SERVICES					
<i>Cable TV Fees</i>	293,500	\$294,231	\$297,831	\$ (3,600)	100.2%
<i>Special Duty-Contracted Police</i>	20,000	19,364	18,423	941	96.8%
<i>Welfare Reimbursements</i>	1,325	1,625	64,797	(63,172)	122.6%
<i>Community Dev Miscellaneous</i>	11,000	11,373	12,237	(863)	103.4%
<i>Police Dept Miscellaneous</i>	1,300	1,163	2,150	(987)	89.5%
<i>Ambulance Fees</i>	425,000	471,204	472,666	(1,462)	110.9%
<i>Fire Dept Miscellaneous</i>	24,500	25,539	25,635	(96)	104.2%
<i>Transfer Station Fees</i>	55,000	64,303	52,492	11,811	116.9%
<i>Police - Accident Reports</i>	2,400	2,542	2,250	292	105.9%
<i>Recreation - Beach Income</i>	3,966	3,966	3,671	295	100.0%
<i>Subtotal Charges for Services</i>	\$837,991	\$895,311	\$952,153	\$ (56,843)	106.8%
MISCELLANEOUS REVENUES					
<i>Interest on Deposits</i>	110,000	\$119,317	\$33,744	\$85,573	108.5%
<i>Sale of Town Property</i>	753	13,353	32,454	(19,101)	1773.3%
<i>Other State/Fed Grants/FEMA</i>	271,166	247,808	11,616	236,192	91.4%
<i>Insurance/Other Reimb/Refunds</i>	140,000	189,498	78,488	111,010	135.4%
<i>Parking Fines</i>	600	1,405	1,580	(175)	234.2%
<i>Town Building Rent</i>	3,000	2,825	3,125	(300)	94.2%
<i>Selectmen Miscellaneous</i>	14,000	13,960	49,906	(35,947)	99.7%
<i>Donations</i>	15,300	237,617	24,619	212,998	1553.1%
<i>Treasurer's Miscellaneous</i>	575	521	1,008	(487)	90.6%
<i>Assesing - Miscellaneous</i>	0	150	-	-	N/A
<i>Town Clerk - Copy Fees</i>	20	18	114	(96)	89.5%
<i>Subtotal Miscellaneous Revenue</i>	\$555,414	\$826,471	\$236,653	\$589,667	148.8%
OTHER FINANCING SOURCES					
<i>Income from Trust Funds</i>	\$-	\$-	\$128,498	\$ (128,498)	N/A
<i>Proceeds from Bond Issuance</i>	2,846,500	2,805,000	-	2,805,000	98.5%
<i>Income from Revenue Funds</i>	32,500	24,358	29,225	(4,867)	74.9%
<i>Subtotal Other Financing Sources</i>	\$2,879,000	\$2,829,358	\$157,723	\$2,671,635	98.3%
<i>Fund Balance</i>	\$790,360	\$790,360	\$639,236	151,124	100.0%
TOTAL REVENUES	\$10,927,363	\$11,184,119	\$7,633,766	\$3,399,079	102.3%

2019: Year-End Finance Update

Town Debt

The full Statement of Bonded Indebtedness at the end of 2019 is as follows: A loan taken in 2017 for the Fire Quint Aerial Truck and a series of loans taken through the NH Municipal Bond Bank in 2019 for conservation land (\$2,000,000), water rights to 200,000 gallons/day (\$715,000) and for a Tractor Truck (\$90,000). Town budget funds will be required to pay the debt service throughout the term of the bonds, however, the conservation land loan payments are expected to be reimbursed by the Conservation Commission through the use of their Land Acquisition Fund as long as funds remain available and the water rights bond payments are expected to be partially or fully covered in time by connection fees collected from the water users.

Fire Quint Aerial Truck Loan:

The second of ten annual payments for the Fire Quint Aerial Truck loan taken in May 2017 was made in March 2019. An additional principal payment of \$ 32,862.03 was made in May 2019 from the fire impact fees fund, reducing the final loan payment by \$45,342.32. The remaining payment schedule is detailed below:

Original Issue: \$850,000.00 / May 2017 / Northway Bank / Interest Rate of 2.45%, 10 year term.

Purpose: Purchase of Fire Quint Aerial Truck for the Windham Fire Department.

Remaining Principal at the end of 2019: \$648,742.08

Years	Beginning Principal	Principal Paid	Interest Paid	Ending Principal	Total Payment
2020	\$648,742.08	\$83,668.32	\$12,917.82	\$565,073.76	\$96,586.14
2021	\$565,073.76	\$82,585.31	\$14,000.83	\$482,488.45	\$96,586.14
2022	\$482,488.45	\$84,631.53	\$11,954.61	\$397,856.92	\$96,586.14
2023	\$397,856.92	\$86,728.44	\$9,857.70	\$311,128.48	\$96,586.14
2024	\$311,128.48	\$88,877.31	\$7,708.83	\$222,251.17	\$96,586.14
2025	\$222,251.17	\$91,079.42	\$6,544.94	\$131,171.75	\$96,586.14
2026	\$131,171.75	\$93,336.10	\$3,250.04	\$37,835.65	\$96,586.14
2027	\$37,835.65	\$37,835.65	\$ 937.45	\$0.00	\$38,773.10
Total:		\$648,742.08	\$66,134.00		\$714,876.08

Clyde Pond Conservation Land Loan:

Original Issue: \$2,000,000.00 / July 2019 / New Hampshire Municipal Bond Bank / True Interest Cost of 2.13%, 15 year term, level principal payments.

Purpose: Purchase of conservation land – Clyde Pond

Remaining Principal at the end of 2019: \$1,764,500.00, reflecting the use of the \$235,500 in financing premium to reduce the principal owed.

The schedule of payments below reflects the required payment structure:

Years	Beginning Principal	Principal Paid	Interest Paid	Remaining Principal	Total Payment
-------	---------------------	----------------	---------------	---------------------	---------------

2019: Year-End Finance Update

2020	\$1,764,500.00	\$119,500.00	\$85,489.52	\$1,645,000.00	\$204,989.52
2021	\$1,645,000.00	\$120,000.00	\$71,820.00	\$1,525,000.00	\$191,820.00
2022	\$1,525,000.00	\$120,000.00	\$65,700.00	\$1,405,000.00	\$185,700.00
2023	\$1,405,000.00	\$120,000.00	\$59,580.00	\$1,285,000.00	\$179,580.00
2024	\$1,285,000.00	\$120,000.00	\$53,460.00	\$1,165,000.00	\$173,460.00
2025	\$1,165,000.00	\$120,000.00	\$47,340.00	\$1,045,000.00	\$167,340.00
2026	\$1,045,000.00	\$120,000.00	\$41,220.00	\$925,000.00	\$161,220.00
2027	\$925,000.00	\$120,000.00	\$35,100.00	\$805,000.00	\$155,100.00
2028	\$805,000.00	\$115,000.00	\$28,980.00	\$690,000.00	\$143,980.00
2029	\$690,000.00	\$115,000.00	\$23,115.00	\$575,000.00	\$138,115.00
2030	\$575,000.00	\$115,000.00	\$17,250.00	\$460,000.00	\$132,250.00
2031	\$460,000.00	\$115,000.00	\$12,535.00	\$345,000.00	\$127,535.00
2032	\$345,000.00	\$115,000.00	\$9,545.00	\$230,000.00	\$124,545.00
2033	\$230,000.00	\$115,000.00	\$6,411.26	\$115,000.00	\$121,411.26
2034	\$115,000.00	\$115,000.00	\$3,277.50	\$0.00	\$118,277.50
Total		\$1,764,500.00	\$560,823.28		\$2,325,323.28

Note: while we received \$2,000,000.00 in loan proceeds and by the end of the loan we will pay 325,323.28 in interest for a total of 2,325,323.28, the loan was legally structured as a \$1,764,500.00 loan at a variable interest rate.

Water Allocation – MSDC Loan:

Original Issue: \$715,000.00 / July 2019 / New Hampshire Municipal Bond Bank / True Interest Cost of 2.13%, 15 year term, level principal payments.

Purpose: Purchase of a Water Allocation – MSDC of 200,000 gallons/day.

Remaining Principal at the end of 2019: \$631,500.00, reflecting the use of the \$83,500 in financing premium to reduce the principal owed.

The schedule of payments below reflects the required payment structure:

Years	Beginning Principal	Principal Paid	Interest Paid	Remaining Principal	Total Payment
2020	\$631,500.00	\$46,500.00	\$30,729.35	\$585,000.00	\$77,229.35
2021	\$585,000.00	\$45,000.00	\$25,635.00	\$540,000.00	\$70,635.00
2022	\$540,000.00	\$45,000.00	\$23,340.00	\$495,000.00	\$68,340.00
2023	\$495,000.00	\$45,000.00	\$21,045.00	\$450,000.00	\$66,045.00
2024	\$450,000.00	\$45,000.00	\$18,750.00	\$405,000.00	\$63,750.00
2025	\$405,000.00	\$45,000.00	\$16,455.00	\$360,000.00	\$61,455.00
2026	\$360,000.00	\$40,000.00	\$14,160.00	\$320,000.00	\$54,160.00
2027	\$320,000.00	\$40,000.00	\$12,120.00	\$280,000.00	\$52,120.00
2028	\$280,000.00	\$40,000.00	\$10,080.00	\$240,000.00	\$50,080.00
2029	\$240,000.00	\$40,000.00	\$8,040.00	\$200,000.00	\$48,040.00
2030	\$200,000.00	\$40,000.00	\$6,000.00	\$160,000.00	\$46,000.00
2031	\$160,000.00	\$40,000.00	\$4,360.00	\$120,000.00	\$44,360.00

2019: Year-End Finance Update

2032	\$120,000.00	\$40,000.00	\$3,320.00	\$80,000.00	\$43,320.00
2033	\$80,000.00	\$40,000.00	\$2,230.00	\$40,000.00	\$42,230.00
2034	\$40,000.00	\$40,000.00	\$1,140.00	\$0.00	\$41,140.00
Total		\$631,500.00	\$197,404.35		\$828,904.35

Note: while we received \$715,000.00 in loan proceeds and by the end of the loan we will pay 113,904.35 in interest for a total of 828,904.35, the loan was legally structured as a \$631,500.00 loan at a variable interest rate.

Transfer Station Truck Loan:

Original Issue: \$90,000.00 / July 2019 / New Hampshire Municipal Bond Bank / True Interest Cost of 1.67%, 15 year term, level principal payments.

Purpose: Purchase of a Truck for the Transfer Station.

Remaining Principal at the end of 2019: \$85,500.00, reflecting the use of the \$4,500 in financing premium to reduce the principal owed.

The schedule of payments below reflects the required payment structure:

Years	Beginning Principal	Principal Paid	Interest Paid	Remaining Principal	Total Payment
2020	\$85,500.00	\$45,500.00	\$4,784.44	\$40,000.00	\$50,284.44
2021	\$40,000.00	\$40,000.00	\$2,040.00	\$ -	\$42,040.00
Total		\$85,500.00	\$6,824.44		\$92,324.44

Note: while we received \$90,000.00 in loan proceeds and by the end of the loan we will pay 2,324.44 in interest for a total of 92,324.44, the loan was legally structured as a \$85,500.00 loan at a variable interest rate.

The Town continues to make payments on leases for Highway, Police and Fire equipment, the annual principal and interest payments for which are contained in the Town's annual operating budget.

The \$2,000,000 Tax Anticipation note that the Town entered in 2014 (structured as a line of credit available to assist the Town with its cash flow needs) was not renewed for 2019 – quotes were requested and a new Tax Anticipation Note was signed with Enterprise Bank. Working cooperatively with the Windham School District, the Town was able to meet its cash flow requirements without drawing on this line of credit.

Balance Sheet

The following represents the General Fund balance sheet as of December 31, 2019 as prepared by the Town's Finance Department. This information is presented in draft form and has not been finalized, audited or reviewed by the Town's Independent Auditors.

BALANCE SHEET - General Fund as of December 31, 2019

ASSETS:

2019: Year-End Finance Update

Cash	\$19,893,204
Taxes receivable, net	2,304,890
Accounts receivable	482,686
Restricted cash - performance bonds	599,825
Other assets	10,288

Total Assets **\$23,290,894**

LIABILITIES & FUND BALANCES:

Liabilities

Accounts payable and accruals	\$27
Tax abatements payable	(45,082)
Deposits	599,825
Deferred revenue	445,300
Due to other governments, funds	20,942,061
Total Liabilities	21,942,131

Fund Balances

Nonspendable fund balance	\$0
Committed fund balance	783,906
Assigned fund balance	255,145
Unassigned fund balance	309,712
Total Fund Balances	1,348,763

Total Liabilities & Fund Balances **\$23,290,894**

Special Fund Activity

The following represents a summary of all transactions administered through the Town's Special funds (not including the General Fund) as compiled by the Town's Finance Department. These funds are held in custody by the Town Treasurer, however, funds are collected and expended based upon the designated purpose for which each fund was established.

Please note that while impact fees not expended within 6 years would be returned to the affected property owners upon request, no such disbursements occurred during 2019.

	Beginning				Finance
	Balance				Balance
	12/31/18	Income	Expenses	Interest	12/31/19
Cable TV Trust Fund	335,082.18	22,000.00	4,055.00	2,057.19	355,084.37
Searles Special Rev.	10,062.56	24,108.00	27,738.46	67.82	6,499.92
Searles Donation Fund	596.12	0.00	0.00	3.29	599.41
Friends of Searles	366.41	0.00	0.00	2.04	368.45
Expendable Health Trust	30,043.40	340,157.65	332,401.08	773.08	38,573.05
Cemetery Operation Fd	122,902.58	7,100.00	500.00	701.08	130,203.66
Conservation Land Trust Fund	358,106.23	269,806.28	120,305.30	2,513.08	510,120.29

2019: Year-End Finance Update

Road Bond Fund	9,337.87	0.00	0.00	51.78	9,389.65
Law Enforcement Fund	980.06	0.00	0.00	5.43	985.49
Recreation-Programs	8,856.03	75,406.16	70,595.13	26.56	13,693.62
Bridge to Beautification	0.00	8,875.00	8,875.00	14.07	14.07
Conservation Grant Fd	2,180.09	0.00	0.00	12.10	2,192.19
Police Public Safety Revolve Fund	24,548.11	193,639.75	179,406.47	149.04	38,930.43
Fire Public Safety Revolve Fund	31,289.40	27,330.76	26,571.68	93.02	32,141.50
Subdivision Fees	68,891.35	35,675.68	39,275.43	150.66	65,442.26
Rte 28 Emergency Fund	11,376.07	0.00	0.00	63.10	11,439.17
Rail to Trail Fund	101.35	0.00	0.00	0.55	101.90
Fire Cistern Special Rev Fund	503.63	1,500.00	0.00	5.68	2,009.31
Forest Maintenance Fund	54,772.99	0.00	3,973.00	289.12	51,089.11
NH Municipal Bond Bank	0.00	2,805,000	2,806,035.87	1,035.87	(0.00)
Police Impact Fee	132,857.94	54,791.94	16,260.54	364.75	171,754.09
Fire Impact Fee	242,924.48	91,709.68	66,316.50	607.23	268,924.89
School Impact Fees (Separate)	348,747.31	337,122.86	380,831.00	579.17	305,618.34
Total	\$1,794,526	\$4,294,223	\$4,083,140	\$9,565	\$2,015,175

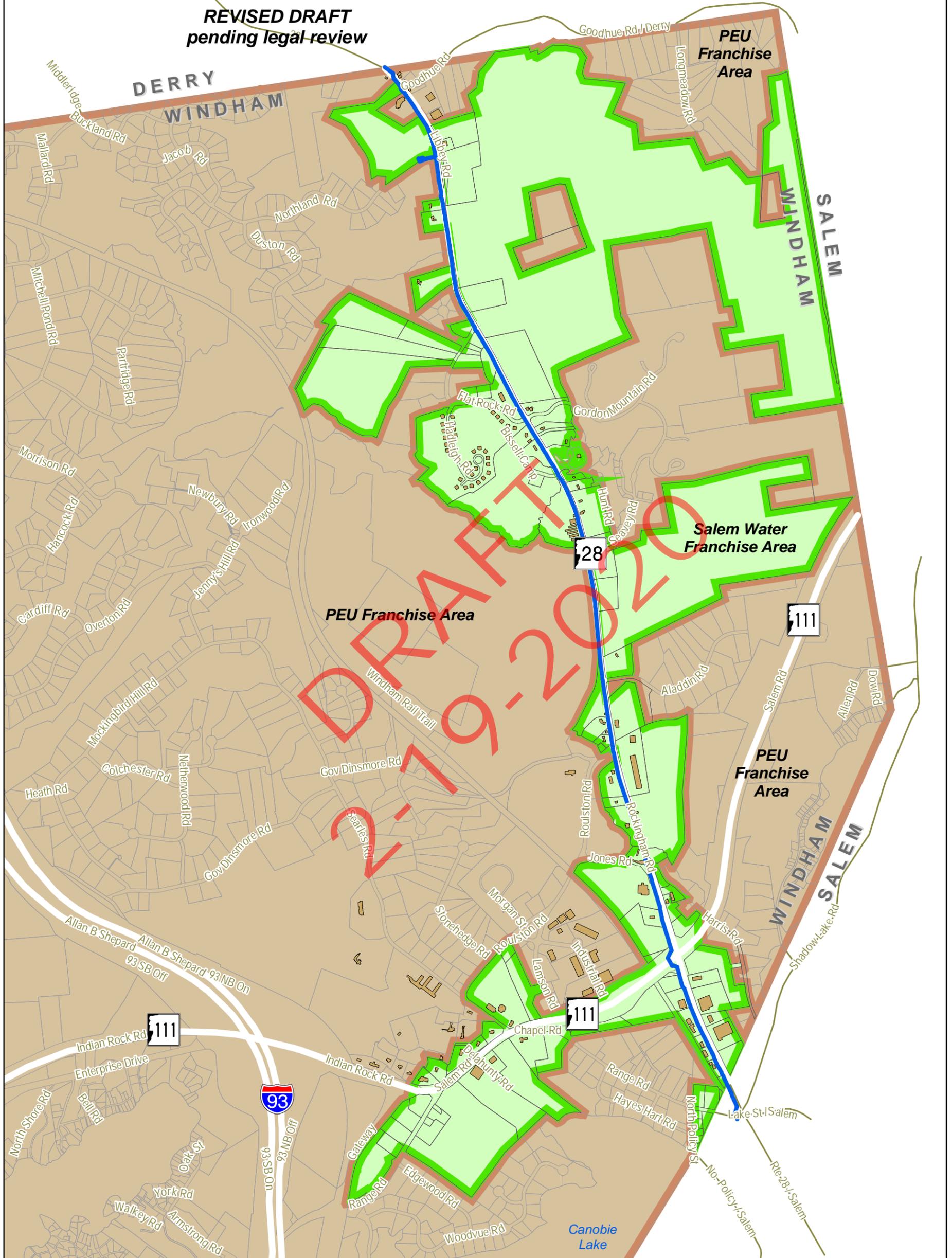
The collective cash balances for the special funds were invested as follows as of December 31, 2019 (represents actual bank statement balances adjusted for timing of deposits/withdrawals):

Citizens Bank Operating Accounts – earning 0.30%	\$1,817,710.71
Enterprise Bank Investment Account – earning 0.25%	\$254,819.31
TD Bank Merchant Account – earning 0.00%	\$1,913.12

Figure 2: Windham NH Water Franchise Areas to be Transferred from Pennichuck East Utilities (PEU) to Salem Water Department



**REVISED DRAFT
pending legal review**



Supplier

- PEU Franchise Area
- Salem Franchise Area

- Regional Water Line
- Windham Buildings

Map by Salem, NH GIS
Current 2/2020



0 0.125 0.25 0.5 Miles