

BOARD OF SELECTMEN MEETING

Minutes of February 3, 2020

CALL TO ORDER: Chairman Ross McLeod called the meeting to order at 7:00 pm. Selectmen Bruce Breton, Heath Partington and Roger Hohenberger were present, as was Town Administrator David Sullivan. Selectman Joel Desilets participated via telephone from his home office. Mr. McLeod opened with the Pledge of Allegiance, followed by moment of silence requested by Mr. Breton in memory of Tony Pellegrini, a long-time member of the ZBA who passed away.

ANNOUNCEMENTS: Mr. Partington extended thanks to the Fire Department for their response to a substantial fire which had occurred on Saturday; adding he had been very impressed. He also extended thanks to the community for their generosity on behalf of the family, noting that gift cards may be dropped off at his home at 17 Galway Road. Mr. Partington indicated that donations have been coming in non-stop, many anonymously.

Chief McPherson commended his staff; noting mutual aid had also done a great job collaborating. He noted there had been no injuries sustained, however, three dogs had perished.

Mr. McLeod extended thanks to the Chief and to Mr. Partington and his wife, Tracey, for their efforts on behalf of the family.

WESTON & SAMPSON: Mr. Jeff Provost reviewed with the Board Weston & Sampson's findings as it pertained to the water line governance feasibility and cost projections; explaining that the focus was on Phase 2 of the project and how to pay for same, as well as what the rates might look like, as nothing had changed since their 12/30 presentation to Board regarding Phase 1. He began by giving a background of their methodology/frame of reference and Pennichuck's current rates and types, those being volumetric (\$7.51/ccf) and fixed costs, the latter being based on a 1.5" meter and a public hydrant fee; noting for a small commercial property, \$11.85/ccf is representative of their current rate and served as Weston's baseline.

Highlights of the presentation and discussion that followed, with input from Community Development Director Rex Norman, WEDC Member Gary Garfield, Planning Director Dick Gregory, VCD property owner Chris McCarthy, and resident Bob Coole included:

- As the TIF district expands, by year five the revenue therefrom could reach \$572,000, and by year ten \$685,000; these revenues being in addition to what the users would pay.
- To maintain the rate of \$11.85/ccf for Phase 2 customers, even with a TIF district, at an estimated 15,000/ccf a deficit will result and, for the first four and a half years, the Town will need to pay a total of \$1,154,000.
- The \$1.1M would be paid back in 9 years if all other estimates (ie TIF revenues) remain true. Discussion ensued regarding how the TIF revenue was estimated, being based on existing plans/applications, and that Weston applied a linear increase to information provided to them by staff.
- Added value estimates to TIF district properties due to the water infrastructure range from \$44M to \$83M over a ten year time frame.
- If a storage tank is built as part of Phase 2, bringing fire protection service to Phase 1, a potential of 30% (\$170,000) of the Phase 2 water system costs could be recouped; dropping the Town's subsidy to approximately \$800,000 and the payback period to 7 years. How to recoup those costs could vary (i.e. allocating cistern fees toward same), and some options would not change the base rate of \$11.85/ccf.

- Potential developer contributions were discussed at length, as well as the grant application for \$3.1M, and it was clarified that the model was designed to keep the base rate at \$11.85 regardless of the former, although there is a potential for it to be lower or higher based on contributions and/or town subsidy.
- Meter costs are included in the model as something the municipality would purchase, as opposed to the hook up cost, which is not. Discussion ensued regarding the \$5,000 fee for the latter that Salem would charge to tie into the line; as well as comparable scenarios in Hudson and Bow.
- The first bond payment will not be due until 2021, and the TIF income will not come into play until 2022 at the earliest, if approved.
- Alternatively, the \$11.85 rate could be lowered to \$5.02 if the Town were to subsidize \$1.2M per year for six years, with an overall 12 year payback. This was discussed at length as it pertained to the payment model and TIF district timing, and what would represent an acceptable burden for the Town.
- Benefits, if any, to non-users of the water were discussed; with commercial development in keeping with the 2005 Master Plan being noted as a benefit to all via increased tax base.
- The need to remain at a rate near \$11.85 until the bond is paid off was discussed, as impacts to the taxpayer would be lessened.
- If the Town were to build the system just through the area of contamination, with no tie -ins and solely funded, the cost would be \$9.5M with the storage tank. It was noted that the tank cost is \$1.9M of that total, and could potentially be removed, less the anticipated grant of \$3.2M.
- Planned commitments from developers/owners of vacant land, and the shortage thereof, was discussed at length; and it was suggested that some may be willing to pre-buy gallons at a lower rate. It was noted such options as that, as well as whether to include fire storage, would be policy decisions as part of the paper utility.
- Potential financial/density benefits to development were discussed (ie no need to drill well); and it was clarified that density is controlled by septic restrictions not necessarily well radius.
- How to best present this information to the Deliberative Session was discussed; it was suggested worst case scenario be presented, that being the \$1.1M Town subsidy. First year impact to the average taxpayer would be \$0.15/1000.
- Further discussion ensued as to benefits to non-users, and contamination resolution and increased tax base were noted, as was the revenue stream after the bond is paid off. Mr. Coole suggested that contamination should be the main presentation, as we have to fix that problem and this is a way to save the taxpayer money.
- Discussion regarding the contaminated water ensued, and mitigation efforts to date; Mr. Sullivan clarified that in the future we will provide bottled water once the State determines what the standard is going to be. Non-developed property in the VCD restricted by the contamination was also discussed, versus those that are already developed and could receive filtration/bottled water; as well as that, right now, the line will only address PFOS contamination for a specific number of properties, not town-wide.
- Weston & Sampon's attendance at the Deliberative Session was discussed, and it was the consensus that they should be in attendance with this same presentation; presenting the rate as \$11.85 with no fire protection and no user fees, which will provide a uniform starting point.

- Additional information was requested to be put together regarding the TIF district, which Mr. Norman will follow-up on.
- Discussion ensued regarding the payback period and whether those funds go back to the taxpayer; it was clarified that the TIF funds will eventually pay back the Town's front loaded funding.

Mr. Sullivan advised that once he receives the spreadsheets from Mr. Provost, he will calculate the tax impacts for Deliberative Session, as well, after verifying the average home cost.

Thanks were extended to Mr. Provost.

NON-PUBLIC SESSION: Mr. Hohenberger moved and Mr. Breton seconded to enter into nonpublic session in accordance with RSA 9 1-A:3 II a and e. Roll call vote – all “yes”.

The Board, Mr. Sullivan, and Chief McPherson, were present in the first session on Personnel. The Board and Mr. Sullivan were present in the two sessions on Legal.

Personnel – Chief McPherson, presented his recommendation to promote Deputy Chief Steve Brady to the position of Assistant Chief effective April 2, 2020, following the retirement of current Assistant Chief Morgan. Mr. Desilets moved and Mr. Hohenberger seconded to promote Mr. Brady as recommended at place him at Step 3 of the Assistant Chief pay grade. Roll call vote: All members voted yes.

Legal – Mr. Sullivan updated the Board on the settlement discussions concerning the Tax Abatement case relative to 10 Dow Road. Mr. Partington moved and Mr. Desilets seconded to reconsider the Board's vote from the January 27th meeting. Roll call vote: Mr. Desilets, Mr. Partington, and Mr. McLeod voted Yes, Mr. Breton and Mr. Hohenberger voted No. Motion passed 3-2.

Mr. Partington moved and Mr. Desilets seconded to accept the property owners proposed settlement offer on the assessed valuation at \$81,300. Roll call vote: Mr. Desilets, Mr. Partington, and Mr. McLeod voted Yes, Mr. Breton and Mr. Hohenberger voted No. Motion passed 3-2.

Legal – Mr. Sullivan updated the Board on a pending case which was filed in federal district court and advised the Board that the Town would be engages the services of Donahue, Tucker, and Ciandella, general alternative town council, to handle the case as Attorney Campbell does not handle cases filed in the district courts. The Board concurred.

Mr. Hohenberger moved and Mr. Breton seconded to come out of non-public session and adjourn the meeting. Roll call vote – all members voting Yes.

Meeting adjourned at 9:10 pm.

Respectfully submitted,

Wendi Devlin, Administrative Assistant
David Sullivan, Town Administrator