

**SELECTMEN'S MINUTES**  
**January 12, 2009 Budget Public Hearing**

**MEMBERS PRESENT:** Chairman Dennis Senibaldi, Bruce Breton and Charles McMahon were present. Galen Stearns and Roger Hohenberger were excused. David Sullivan, Town Administrator and Dana Call, Asst Town Administrator were also in attendance. Mr. Senibaldi opened the meeting at 7:10 pm with the Pledge of Allegiance.

**CORRESPONDENCE:** Mr. Senibaldi read a letter from Representative Mark Pearson of Salem notifying the residents that he is resigning his position as State Representative for District 4 effective immediately.

**ANNOUNCEMENTS:** Mr. Senibaldi reported on the status of the Londonbridge Road joint agreement between all parties. The Board of Selectmen have approved the terms of an agreement with the School Board and landowners, and the School Board is expected to ratify this agreement at their next meeting scheduled for January 13<sup>th</sup>, at which point the details of the agreement will be released.

**PUBLIC HEARING:** The Board of Selectmen opened the public hearing on the 2009 Town Budget and Warrant and Mr. Sullivan read the public hearing notice into the record.

The proposed budget figures are as follows:

General Government	\$ 2,149,055.00
Public Safety	5,972,150.00
Highways, Streets and Bridges	1,219,890.00
Sanitation	994,010.00
Health and Human Services	104,750.00
Welfare	57,040.00
Culture and Recreation	1,265,075.00
Debt Service	249,349.00
Capital Outlay	300,000.00
Total Proposed Budget	<u>\$12,311,319.00</u>

The Selectmen will also address all Petition (received as of January 12) and Special Warrant Articles including:

1. \$0 - \$12,160 for paying bond for Searles Building Improvements – funding to come from Revenue Fund – actually shown in operating budget
2. \$30,000 for Property Trust
3. \$30,000 for Earned Time Trust
4. \$155,000 for purchase of new Ambulance

5. \$28,000 for portion of Town's overall 20% share of costs associated with renovations to the Depot Historic Area (total appropriation of \$176,000, with 80% reimbursed from the State)
6. \$960,000 for Salt Shed Construction (\$625,000 to be bonded after capital reserve funds of \$335,000 applied)
7. \$12,000 for Searles School Marketing and Maintenance – funding to come from Revenue Fund

If all special articles are approved (total \$1,363,000) the gross appropriation will increase by \$600,304 or 4.59% over 2008. Total gross budget for 2009 would then be \$13,674,319 (before use of other revenue sources).

The 2009 net budget, on which the tax rate is set, would be \$12,407,234, after taking into account the use of \$24,160 from the Searles Revenue fund, \$148,000 in State Aid Grants, \$134,925 in federal SAFER grant, \$335,000 withdrawn from the Salt Shed capital reserve fund and a proposed bond issue of \$625,000 for Salt Shed Construction (grand total of \$1,267,085 in revenue). The 2009 net budget would represent a decrease of (\$15,753) or (0.127%).

*Discussion of Draft Warrant:*

Mr. Senibaldi indicated that because a full Board was not present at the meeting, they would defer making recommendations on all articles until the continued hearing on January 19<sup>th</sup>.

**Article 18 – Operating Budget - \$12,311,319 –**

Mr. Sullivan gave a brief overview presentation of the 2009 operating budget and highlighted some of the more significant areas of increase or decrease affecting all departments. Mr. Sullivan noted that the main areas causing the overall decrease in the net budget are in the Sanitation function, primarily due to the implementation of single stream recycling in 2008, the reduction in the salt shed capital reserve fund appropriation due to a bond request for this project for 2009, as well as the portion of the police union contract funded in 2008 that was retroactive to previous years. In addition, it was noted that 2009 represents the final payment on the Town's master bond debt. Offsetting these decreases were increases in the public safety and road budgets, resulting in a net overall budget decrease of (\$15,753) as compared to the 2008 budget.

Bob Skinner requested that as part of the Elections budget, the Board reconsider his previous request to increase the ballot clerk hourly wage to minimum wage, or \$7.75/hour from the \$6/hour currently budgeted. Mr. Senibaldi indicated that he would prefer to address this on the 19<sup>th</sup> when there is a full Board.

After discussion of the budget, Mr. Sullivan then explained the remaining Board of Selectmen articles, other than Article 4 and 5 which were scheduled for separate public hearings later in the meeting.

**Article 6** – **\$30,000 to be added to the Property Maintenance Expendable Trust Fund** - Mr. Sullivan briefly explained the article.

**Article 7** – **\$30,000 to be added to the Earned Time Expendable Trust Fund** – Mr. Sullivan briefly explained the article.

**Article 8** – **\$12,000 for Marketing and Maintenance costs associated with Searles Building (funding to come from revenue fund)** – Mr. Sullivan indicated that the Historic Committee had requested that additional funds be included in the appropriation so that they could do more maintenance projects in the upcoming year, with the funding still coming from the rental income. Mr. McMahon motioned to increase the appropriation to \$20,000 and Mr. Breton seconded. Passed 3-0.

**Article 9** – **\$12,160 for Bond payment on Searles Building renovations (funding to come from revenue fund)** - Mr. Sullivan briefly explained the article and noted that this is the 6<sup>th</sup> payment of a total of 10.

**Article 10** – **\$155,000 for purchase of an ambulance as part of the CIP program** – Mr. Sullivan briefly explained the article.

Mr. Breton indicated that the CIP Plan had not been formally presented to the Planning Board as of yet. Mr. Sullivan explained that he had briefly spoken to the Planning Board Chairman prior to this hearing and let him know that the Board of Selectmen needed to move forward and post the budget based on the indications of members of the Board that have been participating in the CIP process, and noted that it was expected that the CIP plan would be presented to the Planning Board at an upcoming meeting later in the month.

**Article 11** – **\$28,000 (net) for the final engineering, design plans and construction costs associated with the renovations to the Windham Depot Area** – Mr. Sullivan explained the project status and the remaining funding required (gross appropriation of \$176,000 offset by \$148,000 in State grant funds).

Tom Case asked how much money we've received to date on this and the Castle Hill Bridge projects and if any of the grant funds are at risk due to the State's current fiscal crisis. Mr. Sullivan indicated that a portion of the money has been received on Castle Hill Bridge and no money has been received on the Depot as this project is just underway, however, both projects are fully funded through commitments from the State.

**Article 12** – **Conservation Commission \$2,350** – Mr. Sullivan briefly explained the article.

**Article 15** – **Amend the percentage of funds derived from public safety details that remain in the revolving fund from 95% to 90%** – Mr. Sullivan briefly explained the article and noted that the change was primarily necessitated by the use of special police officers for details,

which are paid a lower rate than full-time officers, which has created some surplus in the revolving account. This change will allow a portion of that surplus to go back to the general fund as a revenue to support all town operations, but leave enough percentage in the revolving fund to cover all costs of providing the details.

**Article 16** – **Adopt new Credit Card Ordinance** – Mrs. Call explained that this is a result of several previous meetings with the Board in which the Board has expressed the desire to possibly accept credit cards for payment of certain town fees, however, under current legislation, the Board needs authorization to do this through an ordinance adopted at town meeting. The Board had previously reviewed a draft of the proposed ordinance and Mrs. Call explained some of the minor revisions that were made to the version included in the draft warrant. Discussion ensued among members of the Board and the public, and Mrs. Call indicated that the details of this would be determined at a later date. It was noted that although the ordinance, if adopted, gives the Board authority to accept credit cards, it does not require the Board to do so.

**Article 17** – **Conveyance of town owned land** – Mr. Sullivan explained that the abutters to this property have offered the town \$40,000 for a small strip of land that they currently lease from the town on a long-term basis. Mr. Sullivan verified the offer price with Mr. Norman, Town Assessor, who indicated that it appears to be fair due to the fact that it only has abutter value and it will have limited use. Mr. Sullivan also indicated that the article will ensure that the current access by the CPIA to the dam, will be maintained.

**Article 4** – **\$960,000 for Salt Shed with \$625,000 from bond issuance and \$335,000 from capital reserve funds.**

At 8:05 pm, Mr. Sullivan read the following notice into the record:

LEGAL NOTICE

TOWN OF WINDHAM, NH

PUBLIC HEARING NOTICE

In accordance with RSA 33:8-a, the Board of Selectmen will hold a Public Hearing on a proposed bond issue in the amount of \$625,000 for the purpose of engineering, site work and construction of a new Highway Garage and Salt Shed facility, on **Monday, January 12, 2009 at 7:30 pm** at the Planning and Development Department. The total appropriation for this project is \$960,000, \$335,000 of which is being withdrawn from the Salt Shed Capital Reserve Fund, with the remaining balance to be bonded.

Dated December 30, 2008

Mr. Sullivan discussed the proposed payment schedule for a 5-year note, noting that a short-term note could be handled by a local bank, as opposed to a long-term note which would likely go through the bond bank and cost more in issuance costs. The proposed bond of \$625,000, with an estimated interest rate of 4%, would cost \$75,000 in interest over the 5-year term and the first year principal and interest payment (in 2010) would be \$150,000 or \$.07 on the tax rate (assuming current valuation).

Chris Rossetti inquired as to the life expectancy of the salt shed and it was indicated that it would be a concrete structure with a steel canopy with a 30-year minimum life expectancy.

Mr. Sullivan gave an overview presentation of the salt shed/highway garage plans, situated on town-owned land adjacent to the Transfer Station. The project includes the construction of two buildings, a parking area and a driveway around to the Transfer Station. The building cost is estimated to be \$450,000 and the sitework is estimated to be \$500,000-\$510,000, for a total project cost of \$960,000. The sitework estimate was based on information provided by the Town's engineer, Herbert Associates, and the building cost was compiled by Mr. McCartney based on discussions with other towns and the State, who have recently constructed similar salt sheds. In addition, it was noted that the site will be prepped for future possible expansion of the buildings or a future fuel depot for town vehicles. Mr. Sullivan reiterated that the timeline for the project coincides with the Town's commitment to the EPA to move the salt shed from the Depot location, due to stormwater regulations, by 2011, as well as the lease agreement the Town has with the State which requires the salt facility be vacated by 2012. Mr. Sullivan noted that the project is part of the CIP plan.

Mr. McCartney, Highway Agent, then gave a detailed presentation of the project plan. The existing town salt shed stores approximately 120 tons of salt under cover, with sand outside. The proposed new shed will store 1,000 tons of salt and 600-800 tons of sand, both under cover. The garage will be 60 x 80 sq ft with four bays, an office, storage area and bathroom facilities.

Margaret Case spoke and indicated that she was generally not in favor of this location for a salt shed, however, she could support it with assurances that all environmental precautions will be taken to not affect the town water supply on the opposite side of Route 111. She had concerns about potentially "cutting corners" due to budget constraints and sacrificing environmental safety measures. Mr. Sullivan indicated that the project budget is based on the current environmental standards in effect and that the buildings are positioned to exceed the minimum standards as far as distance from water sources. Mr. Sullivan also reiterated that the entire project will be under the close scrutiny of the EPA and Dave Poulson, Transfer Station Manager, who is an environmentalist and oversees the Town's stormwater programs.

The discussion then turned to the three petitioned articles:

**Article 5** – **Petitioned article for \$5,000,000 bond for purchase of conservation land.**

**Article 13** – **Petitioned article to create a new land use change tax fund.** Mr. Sullivan noted that this article has a statutory requirement for a separate public hearing which is scheduled for January 19<sup>th</sup>.

**Article 14** – **Petitioned article to change the current use tax revenue allocation currently deposited into the conservation fund from 100% to 50%.**

At 8:20 pm, Mr. Sullivan read the following notice into the record:

LEGAL NOTICE

TOWN OF WINDHAM, NH

PUBLIC HEARING NOTICE

In accordance with RSA 33:8-a, the Board of Selectmen will hold a Public Hearing on a citizens' petition for a proposed bond issue in the amount of \$5,000,000 for the purpose of purchasing conservation land, including open space and agricultural land, on **Monday, January 12, 2009 at 7:45 pm** at the Planning and Development Department.

Dated December 30, 2008

Petitioner Wayne Morris presented the bond article. Mr. Morris indicated that as a member of the Conservation Commission, he presented this proposal to the CIP with the intention that the bond payments would be made out of current use tax revenue that the Conservation Commission currently oversees. However, because the statute does not legally bind a future Conservation Commission to spend current use funds on paying down the bond, the CIP elected not to move forward and thus it became a petitioned article. The other two petitioned articles were included as an alternate method of trying to secure future funding for the bond payments from current use funds.

Discussion then turned to the bond amount and why it was proposed at \$5 million. Mr. Morris indicated that the Conservation Commission has looked at seven parcels so far, including both farmland and undeveloped properties abutting current conservation land. They have appraisals for some of these properties totaling \$3.7 million. Mr. Morris noted that the conservation fund currently has approximately \$240,000 in it, with \$26,000 just billed and \$177,000 pending from the DES grant. In addition, there is approximately \$800,000 due to be billed in the near future from new subdivisions. Mr. Morris also discussed the benefits, from the Conservation Commission perspective, of acquiring these lands.

Mr. Sullivan then discussed the proposed payment schedule for a 10 or 20-year bond, which would likely go through the bond bank. The proposed bond of \$5,000,000, with an estimated interest rate of 6% (for 20 year term), would cost \$3.1 million in interest over the term and the first year principal and interest payment (in 2010) would be \$574,000 or \$.26 on the tax rate (assuming current valuation). Alternatively, with an estimated interest rate of 5% (for 10 year term), it would cost \$1.4 million in interest over the term and the first year principal and interest payment (in 2010) would be \$770,000 or \$.34 on the tax rate (assuming current valuation). Mr. Senibaldi then expressed his concerns about the ultimate tax burden on the Town if we moved forward with this size bond and the current use tax revenues in the future were not enough to support the annual bond payments. There was additional discussion about potentially using existing current use funds toward the purchases and lowering the bond amount (which could be adjusted at town meeting).

There was also discussion of the article requesting the change in the amount going to the conservation fund from 100% to 50%, and whether it should be changed to 15%, leaving 85% to go towards the new land use change tax fund. There was discussion as to the “risk” of taking this money out of the Conservation Commission’s hands. Mrs. Call noted that putting the money into the land use change tax fund would take it out of the Conservation Commission’s hands, but would put it in the taxpayers hands to spend that money on the bond payment if they so choose. However, once the money is in the land use change tax fund, it can be appropriated through town meeting vote for any purpose, therefore, if it is not used towards the bond payment, the bond would have to be paid out of the town’s operating budget.

Mr. Rossetti spoke about the intention of members of the Conservation Commission in proposing these petitioned articles and noted that the proposed bond is an attempt to preserve the rural character of the community and the agricultural heritage of southern New Hampshire. Mr. Rossetti indicated that although it is a bad time to take on such a liability, it is the best time to buy pristine, developable land as there are motivated sellers out there.

Mr. Breton motioned to continue the public hearing until January 19<sup>th</sup> and to limit discussion of the articles to the Board members, for the purpose of placing recommendations on the articles, except for articles 5, 13 & 14 which will be further discussed on the 19<sup>th</sup>. Mr. McMahon seconded the motion and all voted in favor.

**NON-PUBLIC SESSION:** Mr. Breton motioned to enter into nonpublic session in accordance with RSA 91-A:3 II b and d. Mr. McMahon seconded. Roll call vote all “yes”. The topics of discussion were hiring and land acquisition.

The Board discussed Londonbridge Road joint agreement and Mr. McMahon motioned to approve the agreement dated 1/12/09. Mr. Breton seconded and motion passed 3-0.

The Board then discussed the hiring process for the Community Development Director and Planner positions. No decisions were made.

Mr. Breton moved to adjourn at 9:45 pm. Mr. McMahon seconded; passed unanimously.

Respectfully submitted,

Dana Call

*Asst Town Administrator-Finance*

NOTE: These minutes are prepared in draft form and have not been submitted to the Board for approval.