

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
Tuesday, August 2, 2011 – 7:00pm
1 Grove Street, Peterborough, New Hampshire

Present: Joe Byk, Barbara Miller, Elizabeth Thomas

Also Present: Pamela Brenner, Rodney Bartlett, Nancie Vaihinger, Jeff King, Nicole MacStay

7:00 – Public Hearing – Assignment of Conservation Easement

Chair Miller opened the public hearing, explaining that in July the Board held the first of two public hearings on the proposed assignment of the Otter Brook conservation easement. **Francie Von Mertens** of the Conservation Commission introduced Stephen Froling, Attorney for the Harris Center and explained that the town is handing over the easement to Harris Center, who has taken the adjoining Otter brook Farm easement. For each easement we have the baseline documentation and the field notes; there are all sorts of information in here, photos, topographical maps and deeds which are kept on file in the Office of Community Development. It is with great pleasure that we will be handing these over to the Harris Center. We monitor twenty-one other easements, and it is a lot of work. **Chair Miller** thanked **Ms. Von Mertens** and the rest of the Conservation Commission for doing that important work for the town. **Mr. Froling** said that if the Board approves the assignment, he and Ms. Brenner will work out the remaining details.

Motion:

Mr. Byk made a motion to approve the assignment of easement; **Chair Miller** seconded.

Vote:

Mr. Byk, **Chair Miller** and **Ms. Thomas** voted in favor of the motion; the motion carried.

Ms. Von Mertens said that many years ago she wanted permission from the Select Board to buy the Fremont land for conservation, and so she picked blueberries, made blueberry muffins and bribed them. And it worked. She then distributed fresh blueberry muffins to the Board, also picked from the Fremont land. She then pointed out the new photos hanging in the meeting room showing newly conserved land.

Water and Wastewater Rate Analysis

Mr. Bartlett began his update by stating that the wastewater plant has been under construction for sixteen months he said they are still looking to late fall/early winter for substantial completion, and late spring for acceptance. The total project came to \$12.6 million, which was the last financing package we voted on. He explained that the 2006 funding discussions did not include the rate increase, other than we had to have one – in 2008 we were required to redesign the treatment plant for a larger facility. We came back at that time for an increase in state aid grants – the big change came in 2009 when we realized that we could not get DES or EPA to work together with Rural Development – The net result of this was the loss of \$3 million in grant funding from the State of New Hampshire, which will cause the sewer rates to double. **Mr. Byk** asked about the water rates; **Mr. Bartlett** said that we had no discussion at that time about any impacts to water – that is a different issue. What we face at this time is difficulty projecting the operational cost of the plant – we know what our payments will be, but we don't know what it will cost to run the new treatment plant. We have projections from plants of a similar size, and similar technology, and we know that the electric demand will go from 50,000 KWH a year to 300,000 KWH a year. When they did the average cost per KWH they used an average cost of \$0.15, our average cost is \$0.11. The heating, chemical costs, sludge disposal numbers are all very conservative numbers.

Ultimately the sewer rate will double, and I see that over four years, but tonight, I am recommending to the board an increase of 30% since at this time we are only looking at half a year of operation and maintenance costs. Next year we will be looking at a first full year. Our first payment to Rural Development will not be made until 2014, which allows for the implementation of staggered increases.

Mr. Byk asked if this was news to the staff; he said that he remembered a proposal of three consecutive 10% increases. **Mr. Bartlett** said that proposal was made before he began his employment with the town in 2006 and last winter the Board and Budget Committee was made aware of our new reality. He then noted that Jaffrey has been going through the same process, and we have talked about our rates being the same as theirs in the end. Jaffrey's annual cost for a single family home is \$1,100.00 a year today – in four years, our cost will be \$1,200.00 a year. **Mr. Byk** asked what the average cost for a single family cost for water is; **Mr. Bartlett** said above \$500.00 a year. **Mr. Bartlett** then reviewed the cost of sewer service in other communities, noting that they were all in the same range as Jaffrey and Peterborough, if not higher. The impact of the requirements from the EPA and the lack of state aid grants have contributed to anyone moving forward with a new waste water treatment plant to raise costs to a minimum of \$1,000 a year for wastewater disposal. In sum, I have recommended a 30% increase of rates this year, and using our rate model as we begin the budget process for next year we will have figures and be able to make more accurate predictions for the FY 2013 budget.

Mr. Byk asked if three years from now will there be any surprises. **Mr. Bartlett** said that he thinks we have identified all the surprises – our estimates are very conservative. It could be slightly less depending on the cost of energy. **Mr. Byk** asked if solar or hydro-electric power generation was included in the project. **Mr. Bartlett** said that will be an important piece of the overall package – we need to sit hard and try and find an alternative source of electricity for that facility. Solar depends on closure of lagoons, which will not happen until 2013. During that period we will identify an area for solar fields if they provide us that cost reduction – I am not sure if that will be the answer, but that may be part of it. **Mr. Byk** said that Hancock has their public works, town house and library buildings equipped with solar panels, and in June they put electricity back into the grid – they predict they will break even. **Mr. Bartlett** said that so much depends on the capital investment.

Motion:

Chair Miller made a motion to raise waste water fees by 30% beginning Aug. 1st, 2011; **Ms. Thomas** seconded.

Vote:

Chair Miller, Ms. Thomas and **Mr. Byk** voted in favor of the motion; the motion carried.
All in favor

Water Funding

Mr. Bartlett explained that water is a different story – over the past few years our revenues have dropped. Our revenue projections have not been met for the past few years – in 2011 we were nearly \$100,000 short of our revenue projections – we are looking for a rate increase to meet our expenditures. When I take our capital improvement plan and debt into account, a onetime 30% increase should be adequate. This year I am recommending a 20% increase in the water rate, look at our budget, and identify what is a priority and the other projects on hold. These are difficult times, and I think we can do better with our expenditures, but a 20% increase will make us whole. **Ms. Brenner** elaborated, saying that we are selling less water – we have worked with residents to fix leaks, we fixed the leaks in our pool, people are conserving water and the second is that as these rates go up people use the water less. **Chair Miller** added that the town has fixed expenses. **Mr. Bartlett** said that she is correct, and as the sewer rate goes up, people will use less water so that they use less sewer. As we settle into our true operating expenses, we will be able to manage that for our users. In the recommendation, as we went through our revenues we looked at private hydrants, and we maintain them for \$20 a quarter, while it actually costs

the town \$40 a quarter. We are also recommending an increase to private hydrant maintenance of \$40 a quarter.

Motion:

Chair Miller made a motion to increase water rates by 20% and increase private hydrant fees to \$40 effective August 1, 2011; **Ms. Thomas** seconded.

Vote:

Chair Miller, Ms. Thomas and **Mr. Byk** voted in favor of the motion; the motion carried.

Utilities Assistance Program

Ms. Brenner said that our residents who are most at risk are going to reel when they see these bills, so we looked to see what we can do to offer assistance. We decided to mirror the PSNH five tier assistance program. There about 123 residents in Peterborough already in the PSNH program they already qualify, and they can just show us paperwork to that effect. **Mr. Bartlett** said that the financial impact of this was less than \$10,000 which is minimal but it helps the people who need it the most.

Motion:

Mr. Byk made a motion to approve the discount program as of August 1, 2011; **Ms. Thomas** seconded.

Vote:

Mr. Byk, Ms. Thomas and **Chair Miller** voted in favor of the motion; the motion carried.

All in favor

GAR Reuse Proposal

Ms. Brenner said that as you are aware the teen center is closing, and they have handed the building over to the town. The building although beloved and charming is a very difficult building, both inside and topography wise. Certainly with the addition of the Community Center the need to take on another town building is remote at best – we simply do not have the financial capability. If nothing is done, the town would have no choice but to shutter it and not heat it this winter. Therefore we approached the Heritage Commission, they looked at the building, and are open to considering a reuse or sale of the building so long as restrictive covenants are put on the building to protect it. **Mr. Bartlett** said that the original building was built in 1837, and was the town's high school from 1871 to 1899. The site is serviced with all utilities, fronts on Grove Street and the Nubanusett River, though that frontage is a significant drop. I am working with Rick Monahan to put together a package of restrictive covenants. The reuse that seems the most appropriate is commercial or office. **Mr. Byk** asked if it was long-term lease, would it be taxable; **Ms. Brenner** said that it would. **Mr. Byk** said that he and **Ms. Brenner** have talked, and if we should find someone who would return it to taxable property, one of the covenants would be that the taxability would continue, so that it would not go to a non-profit, IF we sell it at discount. **Mr. Bartlett** said that is why the selection process is two phased – the first is that the proposal be substantially complete – no finance package, but use their ingenuity, how it will benefit the town. We will short list those proposals, those people will be asked to bring back their financial package. The RFPs are due at noon on the 22nd of September, they will be reviewed, and they will be given 30 days to bring back their financial package. The committee will then bring those to the Board for selection and approval. **Ms. Thomas** asked what provisions are being made for the Civil War memorial. **Mr. Bartlett** said that he is not sure yet; there is a fair amount of effort in regards to the covenants. **Ms. Thomas** said that she would like to consider moving the civil war memorial. **Ms. Vaihinger** asked if the Board does sell the GAR Hall, will it have to be approved at Town Meeting. **Ms. Brenner** depending on the situation, the Board can decide to go to Town Meeting or do two public hearings.

Motion:

Chair Miller made a motion to go forward with requesting proposals for the reuse of the GAR Hall as discussed; **Mr. Byk** seconded.

Vote:

Chair Miller, Mr. Byk and **Ms. Thomas** voted in favor of the motion; the motion carried.

Joint Meeting with the Recreation Committee

The Select Board was joined by **Paula Stewart, Todd Weeks, Andy Dunbar** and **Jeff King** at 7:51pm. **Mr. King** explained that the primary reason for rescheduling the Recreation Committee meeting is to review the bid for the engineering of the pool reconstruction. **Mr. King** then reviewed the content of his memo to both boards, and said that the bid request was picked up by two bid services, direct calls to offices, email, outreach, and other referrals. When all was said and done, we only had one bid from BH+A, who did our needs assessment in 2007. They worked with Manchester, who recommended them to us. Their fee proposal is \$100,000 which is approximately 8.34% of the overall cost, 10% is about average. **Mr. Byk** said that this seems really high – a treatment plant is really complex, however this is very simple by comparison. **Mr. Bartlett** said that another example of this sort of fee scheme is the connector road where the engineering was \$35,000 10% of the total project. He added that whether we think it is true value or not, the industry likes to keep it between 8-10%. There followed a discussion about the bid and the bid process. **Ms. Thomas** asked why there aren't more bids. **Mr. King** replied that we think because there are very few firms in New England who do this type of work, most are in the Midwest, but they will be thinking of their travel expenses. He said that he recommending the approval of the bid. If it were an unknown company, he would be more hesitant to make the recommendation, but our working relationship has always been positive. He said that he has called them repeatedly over the last few years – they even re-crunched the numbers for us as we worked towards the vote on the pool bond. They are a relatively local firm, they have worked on quite a few pools in Southern New Hampshire and Massachusetts. There was an extended discussion regarding whether or not it would be prudent to question BH+A about their fee.

Motion:

Mr. Byk made a motion to authorize **Mr. Bartlett** to speak with the bidder and negotiate the engineering fee down to \$75,000; **Ms. Thomas** seconded.

Vote:

Mr. Byk and **Ms. Thomas** voted in favor of the motion; the motion carried, **Chair Miller** abstaining.

Recreation Director's Program Update

Mr. King explained that during a regular Recreation Committee meeting he gives a brief report on what is going on. The fiscal year is now closed, and for the 8th consecutive year the Recreation Department finished under budget. **Ms. Brenner** added that all budgets came in under this year. **Mr. King** said that the asbestos abatement is underway – once that is complete, we have three bids for the phase 1 construction – Trophy Construction & Development is the lowest bidder; we met with Torphy today and negotiated with them, and brought that bid down to under budget. **Ms. Brenner** said that Torphy is a local company, and the owner does live in Peterborough. **Mr. King** said that the price is now \$143,000 but there is some contingency in there. We will get that process going as soon as the asbestos abatement is completed.

Regarding Cunningham Pond, **Mr. King** reported that the new guards have done very well this year. Over 1,200 beach stickers have been issued, compared to last year we gave out around 1,000, and enforcement has been going very well. The biggest issue has been guest passes, but residents have been slow bringing them back. New water cannon is working well, rather than trying to repair sprinkler

system. The Ecco Field stairs on press box have been replaced, as has the roof. Playground north fence is in tough shape; we will try to replace it a section at a time so that it will not be too expensive. Andrew Martin, Life Scout, will be helping to maintain cemetery at top of hill. The playground program time share has worked well and increased demand beyond capacity for one week. Senior trips; most have had to be cancelled because of a lack of participation. Adult softball is going strong. Swimming and tennis lessons are both doing well. The Recreation staff is now working on the Fall Peterborough Press.

As there was no further business, the Recreation Committee adjourned at 8:26pm.

Review and Approval of the Minutes of July 12, 2011

Motion:

Mr. Byk made a motion to approve the minutes as submitted; **Chair Miller** seconded.

Vote:

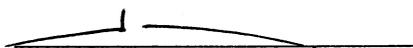
Mr. Byk, Chair Miller and **Ms. Thomas** voted in favor of the motion; the motion carried.

As there was no further business, **Chair Miller** made a motion to adjourn; **Mr. Byk** seconded. All in favor, the meeting adjourned at 8:27pm.

Respectfully Submitted,
Nicole MacStay, Assistant to the Town Administrator

PETERBOROUGH
SELECT BOARD:


Barbara A. Miller, Chair


Joe Byk

Elizabeth M. Thomas

ACTION ITEM PENDING LIST

1.

