

Board of Selectmen

January 5, 2022

Present: Mark P. Duffy, Chair; Richard C. Edwards; Kenneth G. Fifield; Dino A. Scala, Town Administrator; and Toni Bodah, Secretary.

Those also present included: Alyssa Hall; Wayne Robinson; Howie Knight; Priscilla Colbath; Jim Miller; Shery Hatch; Tom Daniels; Dave Mankus; Jerry O'Connor; Beth Hayes Scala; Bo Keating; Joe & Teresa Williams; MacKenize Tobin; Lisa Robinson; John Myers; Marc Taliaferro; Brock Mitchell; Tom Dube; Sandra Lebel; Sgt. Trevor Cherry, as well as others (in person and via Zoom).

Mr. Duffy called the posted meeting to order at 6 p.m. and led all in the Pledge of Allegiance, following which he opened the public hearing. Mr. Duffy stated we are present to consider 2 warrant articles. The Board is hoping to bond construction of a Multi-Generational Facility ("MGF") at \$7 million, as well as a Department of Public Works Facility ("DPWF") at \$2 million. Mr. Duffy hopes members of the building committee for the MGF will address building operational costs, associated fees, the roof, interest rates, and whether the bond can act like a line of credit. Mr. Edwards and Mr. Fifield agreed in their expectations that many of their questions would be answered during the presentation. Mr. Duffy noted that Mr. Robinson has been working towards this building for nearly 20 years. If we are going to move forward, now is the time to do so due to bond interest rates.

Mr. Robinson is unsure of the operating costs, but does not anticipate much additional staff. There will likely be a need for additional cleaning services. The life expectancy of the roof is 40 years. Mr. Robinson continued with a PowerPoint presentation, stressing that the drawings are conceptual only. The DPWF is proposed at 12,444 gross square feet; and the MGF is proposed at 21,417 gross square feet, much of which would be the gymnasium. The 2 buildings would be separate. Floor plans for the MGF were viewed. The MGF could be used as an emergency shelter as long as there is space for animals, which could be accommodated in the art center, it having a drain in the floor. Mr. Robinson spoke to the benefit of having all Parks & Rec programs in one space.

The floor plan for the DPWF was viewed. Included is a wash bay, which would extend the life expectancy of the Highway Department vehicles.

Ms. Hall noted that the MGF would allow for multiple programs to occur simultaneously. Mr. Robinson stated that program offerings could also be increased. Mr. Keating noted that although operational costs may increase, revenue is also expected to increase. Mr. Robinson indicated they could consider membership fees for use of the fitness room; however, it would depend on what exactly goes into that room. Ms. Hall noted they will also have the option of renting out space for functions. Mr. Robinson stressed this facility would not be for kids only—it would be for all generations. Ms. Hall added that Paul School is great to work with regarding use of their gym; however, it is very limiting. There are currently 140 participants in basketball, and it is difficult to schedule adequate practice time and games.

Mr. Fifield asked about construction materials for the buildings. Mr. Robinson advised that has not yet been decided for the MGF, adding they are still obtaining pricing. He anticipates interior masonry, exterior steel.

Mr. Edwards referred to the distance between the 2 buildings, which Mr. Robinson clarified would be 75'. This proximity would allow for utilization of some of the same infrastructure (well, septic, utilities)

and would be more convenient for accomplishing site work. Mr. Mitchell clarified that each building would have a separate entrance, and a fence would be constructed within the 75' buffer area. Each building would have its own heating system.

Mr. Knight advised Mr. Duffy that any unused funds from the bond could be used to pay back the bond. He then referred to development of the 2010 Master Plan, during which time 72% of the public indicated the need for a new building for Parks & Rec. In 2018 a committee was formed for this purpose, and UNH performed a needs analysis. A focus group was formed and a survey put out to the public. 81% of participants of the survey supported a new Parks & Rec building. In addition, the need for a new DPW building is obvious.

New Hampshire Municipal Bond Bank would develop an aggregate of bonds for towns/cities throughout the State. These bonds have great ratings. NHMBB provided us with an estimated (conservative) rate of 3%. The rate in July 2021 was originally estimated at 2.5% but was actually 1.98%. Mr. Knight advised the estimated impact to the tax rate on a 30-year bond for \$9 million would be \$0.48/000 for the first year, then \$0.40/000 per year thereafter, based on a Town assessment of \$1.1 billion. However, assessments will increase, which would cause the rate of impact to decrease. In addition, we will seek grants/donations, etc., which would be used to pay off the debt, thereby further reducing the tax rate impact. The bond could not be paid off early as it would be part of an aggregate bond pool. Mr. Knight estimated the tax impact of \$0.40/000 on a property assessed at \$400,000 to be \$160/year. We must accept the entire bond amount, but any unused funds could be used to make our debt payments. Mr. Duffy stressed that is important to know that unspent funds could be used to make payments, rather than increasing the tax rate to property owners.

Mr. Mitchell stated that once the decision was made to separate the buildings, he began to obtain estimates on his own for the DPW building. Based on today's numbers, rounded up, he estimates construction of the DPW facility at less than \$2 million. He is also looking into possible grants. Mr. Edwards agrees that \$2 million will not be needed, estimating the cost to build the shell at around \$720,000, without consideration of any interior needs. Likely the total cost would be between \$1.2 million and \$1.5 million. Mr. Edwards does not have experience with the type of facility being proposed by Parks & Rec; however, he would like to see it done for less. He agrees such a facility would be wonderful for the Town; however, he would like to discuss the cost.

Mr. Duffy noted that the Town has had bonds previously, which have had a relatively low impact on the tax rate. It is important to remember that the actual construction costs may be lower than what is raised in the proposed warrant articles. Mr. Fifield asked whether Mr. Mitchell would be comfortable with \$1.5 million. Mr. Mitchell would be more comfortable at \$1.6 million. Mr. Duffy noted these numbers could be changed at Deliberative Session. Mr. Mitchell noted that \$1.6 million would be sufficient using today's figures; however, construction costs could increase by the time construction actually begins. Mr. Keating noted that \$1.6 million for a 14,000 gsf facility seems low. Mr. Edwards and Mr. Dube agreed that the cost of this type of facility is different than the cost to build a home. Mr. Edwards added that outside engineering would not be required for the DPW facility.

Mr. Duffy then asked for comments from the public. Ms. Williams acknowledged this project has been on the radar for a long time. She was advised that the estimates include heating, cooling, furnishings, surveillance cameras, etc. Mr. Robinson added that the site could be cleared by local contractors at a much lower cost than estimated by the engineers. The Highway Department may be able to do some of the smaller projects, but cannot neglect the Town roads. Mr. Duffy added that there are many 'green' incentives available now. Ms. Williams is concerned about the maintenance required for a flat roof. Mr. Robinson advised there would be a drain system and we have been advised the roof would last for 40 years. Ms. Williams received confirmation that there will be one bond, even if both warrant articles pass. However, Bond Counsel has advised that we must keep each project separate; unused funds for one project cannot be used on the other project. Ms. Williams asked where donations would go. Mr. Knight would suggest that a separate bank account be established for such funds. Mr. Robinson added they are attempting to connect with an established 501.c3 organization. If the articles pass, the Town would then apply to the NHMBB for the July 2022 bond sale, with funds to be available in August 2022.

Ms. Williams noted that if Parks & Rec is able to have the facility open 7 days a week, it would likely require additional staff. Mr. Robinson agreed that staff would need to be in the building whenever it was open; however, much of that staff is already in place via the various programs offered, all of whom are paid via the revolving fund (Fund 5).

Comments from Zoom included:

Use of donated funds/grants should be spread out over the life of the bond rather than used all at once in order to keep the tax rate more stable.

What about solar panels? Mr. Robinson agreed they could be used; however, it is unlikely we would realize much savings.

Total interest paid on this bond would be around \$4 million.

Wide open or scheduled use of gym/fitness center? Mr. Robinson believes there would be some of each—open gym during certain hours each day.

Mr. Dube thanked the committee for all their work. He spoke in favor of the proposed bond, while still keeping the tax rate in the \$12 range. He added that the Town really needs this facility.

Mr. Mankus stated this facility would be a huge asset to the Town and it would get used 7 days a week. He added there are some good elements to the proposed Parks & Rec facility, although he does have concern regarding the flat roof. He stressed we should not go cheap on structure. We should have a professional speak to the cost of construction so we do not cut ourselves short. He is comfortable with \$9 million and expects it all could be done for less.

Ms. Lebel suggested we should have harder numbers for the voters. The project would be excellent for the Town, but we need harder numbers, perhaps with an itemized construction spec sheet.

Mr. Myers believes we have some hard numbers, adding that the difference between \$1.6 million and \$2 million is very small over the term of a bond. The cost of materials could easily increase by the time construction begins. Save where we can, but don't cut ourselves short. Mr. Myers completely supports the community center, which would be a great asset for the Town.

Mr. O'Connor noted there is much information to digest, including \$4.8 million in interest over the life of the bond. \$400,000 is a significant amount to avoid spending. The existing DPW building was fairly inexpensive and needs to be replaced/recycled. We need to protect the Town's equipment/vehicles. Mr. O'Connor supports this article.

More comments from Zoom:

What about a 20-year bond? Mr. Knight noted that would have a greater effect on the tax rate.

Timeline of the project? Mr. Knight stated that the Town could start the bid process after the Town vote, with funds due to be received in August 2022.

Mr. Jim Miller noted that idea/project is exciting. He noted that when a bond was first discussed, it was in the context of addressing a number of projects, including roads, bridges, sewer system, water. He questioned how the priorities changed in 6 months. He is not against the project, but he could give it more support if other infrastructure issues were to be addressed. He also would have expected the people to be involved with the design process; then we could get bids, after which the project would go to the people for support. He quoted Mr. Duffy in saying that it is the job of the Selectmen to separate needs from wants. He questioned whether both of these proposed projects are needs.

Mr. Duffy stated that most agree that we need a new DPW facility. However, Parks & Rec has been working on this concept for a long time. The voters will get to decide whether these projects are needs. We currently have funds to address the sewer; we have plans for Witchtrot and Union bridges. Mr. Mitchell noted that most of the cost to address the sewer is coming from ARPA funds, not from tax dollars.

Mr. Edwards stressed that Parks & Rec has had a number of meetings to which the public was invited in order to get input regarding this project. The Town has been addressing infrastructure issues—just not through a bond. It is up to the voters to decide whether to support this project. He personally supports the project but believes it could be done for less money. Mr. Robinson noted this project has been on the CIP plan for 10-12 years. The assessment by UNH was accomplished without use of taxpayers' funds and included a number of public sessions at which staff spoke directly to members of the public. There was a public survey and a feasibility study.

Ms. Colbath noted Mr. Miller raised a good question as it allowed the Board the opportunity to advise the public of progress in other areas. Mr. Fifield stated the Board is looking at all the needs of the community. This year the best CIP plan was produced in a number of years, with much work involved in identifying areas of focus. We are taking care of bridges and roads. The community will decide on tonight's issues.

Mr. Scala referred to the sticker shock experienced when initial numbers were sited (\$14 million). At that time, we looked at roads and bridges and found other ways to pay for them, rather than adding to the proposed bond. Mr. Knight noted that the Sanbornville Water Precinct Commissioners received a \$5 million grant to address that system, adding that they have done an incredible job. Ms. Colbath stressed that the people will decide, not the Board of Selectmen; however, support of the Board is very important to the community. Mr. Mankus questioned whether the Town can earn interest on the bond

money once it is in the Town's possession. Mr. Knight advised it can be invested conservatively under State statute. Mr. Keating asked everyone to remember how difficult the last few years have been, noting this community center would have been so useful during the pandemic. He stressed it is a need, not a want. Ms. West has been part of the community for over 30 years and stressed this facility is not just about kids—it would be a benefit for the entire community.

One more from Zoom:

Seems like a quick turn around from design to vote.

Mr. Duffy closed the public hearing at 7:57 p.m. The Board then reviewed proposed Article #2 regarding the multigenerational facility @ \$7 million. **Mr. Fifield moved to recommend Article #2 as written. Mr. Edwards seconded the motion.** Mr. Edwards stressed he is 100% in favor of the bond projects; however, he is disappointed in the amount in this article. If the public wants this project to move forward, it has his full support. Mr. Fifield noted that the committee did their job. The job of the Board is now to put the project in front of the people. He added that the committee may want to conduct some public information sessions. Mr. Duffy has no issue supporting the article, but its fate will be determined by the vote of the people. He believes it will require some PR. He added that the presentation this evening was great. **The motion then passed 3-0.**

The Board reviewed proposed Article #3 regarding the DPW facility at \$2 million and considered whether to reduce it to \$1.6 million. It was believed we might have a better idea of ultimate costs by Deliberative Session. **Mr. Edwards moved to recommend Article #3 as written (at \$2 million). Mr. Fifield seconded the motion, which passed 3-0.**

Mr. Edwards moved to adjourn at 8:06 p.m. Mr. Fifield seconded the motion, which passed 3-0.

Respectfully submitted,
Toni Bodah, Secretary

Approval of Minutes:



Mark P. Duffy, Chair

Richard C. Edwards



Kenneth G. Fifield