

Town of Farmington
Board of Selectmen Public Meeting Minutes
Monday, October 17, 2016

Board Members Present:

Charlie King, Chairman
Neil Johnson, Vice Chairman
Jim Horgan
Paula Proulx
Ann Titus

Others Present:

Town Administrator Arthur Capello
Police Chief Jay Drury
Fire Chief James Reinert
Lt. Scott Orlando
DPW Director Dale Sprague
Brent Littlefield
Clarke Fenner, NH Solar Garden

1). Non-meeting with Town Counsel until 6:45 p.m.

2). Call to Order/Pledge of Allegiance:

Chairman King opened the public meeting at 6:50 p.m. All present stood for the Pledge of Allegiance.

3). Public Input: None.

4). Review of Minutes:

September 19, 2016- Public Meeting Minutes- No omissions or corrections.

Motion: (Johnson, second Titus) to accept the minutes as written passed 5-0.

Non-Public Sessions A & B Minutes-No omissions or corrections

Motion: (Titus, second Johnson) to accept the minutes as written passed 5-0.

October 3, 2016- Public Meeting Minutes- Page 7, #12- change “the state” to “we”.

Motion: (Titus, second Johnson) to accept the minutes as amended passed 5-0.

Non-Public Session A Minutes – No omissions or corrections

Motion: (Horgan, second Titus) to accept the minutes as written passed 5-0.

5). Brent Littlefield – Permit on Class VI Road:

The board reviewed memos from Mr. Littlefield, Building Inspector Dennis Roseberry and DPW Director Dale Sprague regarding a request for a building permit from Mr. Littlefield to construct a 4 bedroom, 3 bathroom home on an existing lot on Dubois Lane. The property currently has a 750’ driveway, a small bridge over a section of wetlands and a partially cleared lot.

Discussion included if the lot has an approved septic design and a wetlands permit, if the road meets current town road standards, any recommended conditions of approval by the Town staff and if there sufficient emergency vehicle turning and access.

Mr. King noted that Mr. Sprague’s memo stated the road surface and drainage culverts are in satisfactory condition for residential traffic.

Ms. Proulx asked what the requirements are for building on a class VI road.

Mr. King said the regulations are included in RSA 674:41 which essentially considers a class VI road as a private road and allows the town to require reasonable conditions for safe passage even though the town does not own the road. He suggested there were no additional conditions

of approval from the staff as the road has come before the board before for a permit for the existing home on the adjacent lot and the road issues were addressed then.

Mr. Capello added the applicant will still have to apply for a driveway permit.

Motion: (Horgan, second Johnson) to grant a building permit for Tax Map R45-002-1, Dubois Lane which is a Class VI road contingent upon signing a liability waiver and submittal and approval of a driveway permit application passed 5-0.

6). Solar Contracts:

Clarke Fenner of NHSolarGardens came before the board to review the proposal to install a solar power electric generating facility at the town landfill following some questions raised by the board at a previous meeting.

Mr. Fenner said they looked at the property at the landfill and based on state law there is the ability to do one Group Net Metering project at about 1 megawatt for Town use and the potential to do a larger commercial/merchant project which can be sold to the power grid. The revenue generated by the commercial project is much less than the Group Net Metering project but it allows the town to use the space to generate additional revenue from lease rights and tax revenue that the town doesn't currently have access to.

He said they structured the proposal in an effort to meet the town's current power rates and fixed a rate plus an escalator for a period of 25 years so the board can budget the energy costs and lease and tax revenues.

Mr., Johnson said he noticed differences in the original proposal and the more recent copies of the agreement received by the board.

Mr. Fenner said the initial project was strictly a Group Net Metering project but over time the project has expanded into 2 projects as the company has gotten to "know" the board and what their goals are so they have the ability to "massage" the proposal.

Mr. Johnson said the initial proposal was a 9.5 cent energy rate, the last proposal was 8.56 cents and now it is at 8 cents.

Mr. Fenner said Eversource's current rate is 9.56 cents and the 8.56 cent rate was offered to meet the proposed rate in the town of Franklin. He said there is a "pot of money" that is generated by the program and it is awarded to the town in a form of tax payments or energy savings in a way to meet the town's particular goals. Some towns prefer to have a lower starting electric rate because they have a lower rate with an energy supplier and wish to stay with that number. We can meet that number but if we have to meet it early there has to be a higher escalation over time he said.

Mr. Fenner said that historically electric rates have increased 7.6% annually which is more than their escalation rate. He said the revenue from tax payments and lease payments equals a reduction in the power bill. The land lease rates and the PILOT (Payment In Lieu of Taxes) rates total about \$26,000 a year which equates to 2.6 cents per kilowatt hour and you must add the 2.6 cents to the other supplier's rate as they are not paying land lease or PILOT payments. If we are offering you 8.56 cents plus the \$26,000 that is actually about 5.4 cents per kilowatt hour he said.

Mr. Johnson asked what sizes are planned for the ISO (commercial) and the community solar projects.

Mr. Fenner said this proposal is based on a total of 2 kilowatts because it is divided into 1200

kilowatts DC on the commercial/merchant project and 800 kilowatts DC on the Group Net Metered project. He said if they keep the size of the Group Net Metered down to 800 kilowatts DC the project qualifies for a state rebate which allows the company to offer better rates to the town. He added they have asked the utility if the project can be expanded to 2 or 3 megawatts and are awaiting their response.

Mr. Johnson said an 800 kilowatt Net Metering system will be insufficient to meet the town's requirements because the town uses about 1.1 megawatts of power.

Mr. Fenner said he wasn't aware the town's usage was that high and that they would go to the full 1.2 megawatts in the proposal.

Mr. King asked if this would affect the proposal's ability to qualify for the rebate.

Mr. Fennel said it would not affect the rebate.

He said the ISO-NE (commercial) project will have to be much larger, maybe 2 or 3 megawatts, to generate enough revenue for the project to be viable. This will also increase the rental and tax payments to the town he said.

Ms. Proulx asked what the original proposal was for the PILOT and land lease payments for the 1.1 megawatt project.

Mr. Johnson said the original proposal was to pay \$13,000 in land lease payments and \$3,500 for PILOT payments. There is also a potential for \$7,000 in lease payments for the commercial/merchant array which would increase if it goes larger than the 2 megawatts proposed he said.

Mr. Fenner said the \$13,000 a year is for the 1.2 megawatt Group Net Metering project to meet the town's requirements and the \$7,000 is for a 1 megawatt commercial project. If the commercial project is increased to 2 or 3 megawatts the tax payments will go up linearly but the lease payment may not because it does not generate as much revenue as the Group Net Metering does. He said he will present the proposed increase to the investors for their approval and find out if the substation can handle the increase in power without having to upgrade the substation which would kill the project.

Mr. Johnson noted at a previous meeting with Mr. Fenner's partner, Andrew Kellar, he said the nameplate capacity x 3,500 equals the community solar array but that is not specified in the PILOT agreement.

Mr. Johnson asked if the 5% electric rate escalator is applied every year.

Mr. Fenner said it is applied yearly because there must be protracted rates or investors won't invest the money to back the projects.

Mr. King said the rate goes up by 5% each year no matter what the electric rate is and asked other than the escalator, what is the town's safeguard if the electric rates go flat for 5 years based on improvements in efficiency and availability.

Mr. Fenner said the town would be getting the equivalent of fixed lease and power payments. There is no guarantee the bottom won't drop out which is the down side of the proposal he said. The board then discussed whether it would be better to go with a higher electric rate and a lower percentage escalator. Mr. Johnson offered the following information:

The town of Milton has a 9.56 cent rate with a 3.5 % escalator.

8.56 cents an hour with a 3% escalator over 25 years would equal 19.56 cents per kilowatt hour.

8 cents an hour with a 5% escalator over 25 years would equal 25.8 per kilowatt hour.

At 8.56 cents an hour and a 3.5% escalator there would be \$1.7 million cumulative savings

over 25 years including the lease and PILOT payments.

With a 5% escalator it is approx. \$900,000 in cumulative savings.

Mr. Capello noted that if the town went with a 3.5% escalator it would use the Eversource current rate of 9.56 cents per kilowatt hour, not the 8.56 cents used by Mr. Johnson in his calculations.

Mr. Johnson said the 8.56 cents was the original proposal given to the board when Mr. Kellar discussed the matter with them 3 weeks ago.

Mr. Sprague asked if the NH Dept. of Environmental Services has any concerns about the project.

Mr. Fenner said DES has not expressed any concerns with the plan.

Mr. Sprague asked about who will be responsible for maintenance of the landfill cap.

Mr. Fenner said the area within the fence around and under the arrays will be maintained by the company and the town will be responsible for maintaining the areas outside the fence.

Mr. Sprague said there are monitoring wells inside the proposed fenced area which must be accessible for testing.

Mr. Fenner said the wells will be accessible and the town, the utility and the solar company will be the only ones able to access the area inside the fence.

Mr. Johnson noted there are 2 five-year extensions to the 25 year contract and that there is no language in the agreement about how the board could cancel the contract if they did not want to extend it.

Mr. Fenner said this is because once the investment is made for the projects, and the system is operating efficiently and producing power competitively the investors will want to extend the contract.

Mr. King asked if the extension comes with a continued escalator.

Mr. Fenner said that could be discussed when the time comes. He said that often there is 25% bump in the lease payment for the 26th year through the 30th year and then another 1% increase for the next 5 years.

Ms. Proulx when the PILOT agreement is looked at again.

Mr. Fenner said the PILOT would be reviewed in the beginning of the 26th year.

Mr. Johnson noted this is not spelled out in the contract.

Mr. Horgan said it was his impression the contract has 2 five year extensions where the town has no way out.

Mr. Fenner said that is not up for negotiation.

Mr. King said then this is really a 35 year contract.

Mr. Fenner agreed unless "something really goes sideways and they (investors) really want out".

Mr. Johnson said he was not opposed to the extensions as long as the town had the ability to renegotiate the lease and PILOT payments at the 25th and 30th years.

Mr. Johnson said there is also a formula used in the PILOT agreement to calculate the transition tax year (the tax year when the facility becomes operational) payment that needed to be corrected. He said the formula makes sense except for that it cuts the payment in half in the example given in the agreement and asked if Mr. Kellar had an opportunity to look into the matter.

Mr. Fenner said this is because they are saying the facility was operational for one-half year in

the example so the tax payment would be cut in half.

Mr. Johnson said the example given doesn't work because the payment is already pro-rated by the number of days the facility is operational and then is cut in half again.

Mr. Fenner said it appears the calculation may be "doubled up" and that he will look into it.

Mr. Capello asked what the next steps for the board are.

Selectmen said they would like to see a decision from the PUC regarding the potential expansion of the system, options for the extension periods, if the rates presented will stay the same (9.56 @ 3%, \$13,000 per megawatt lease payment for community project , \$7,000 per megawatt for the commercial project)

Mr. Fenner suggested the company could put together an escalation plan that would make it worth the board's while for the extensions and at the end of the 35 year term they would have more room to negotiate whether to continue the agreement. He said he would return to the investors and discuss what they are comfortable with and state what the board's concerns are.

Mr. Fenner said he will contact Mr. Capello when he receives answers to the board's concerns.

7). Cocheco River Phase I:

Mr. Sprague told the board that the river review was started in the spring when he met with DES to find out what was needed to look at the river bottom and the shape of the river bottom relative to the requirement to remove the shoals from the river bottom in a few different locations. The dam bureau has issues with the opposite stream bank erosion so there are a few things that need to be addressed. The scope of the 2015 report requests the town do a topographical survey from the Main St. Bridge to Central St. and compare the cross sections taken in 1956 to the existing conditions to see if there is a deposition of materials there he said.

He said he would like to contract with Manager Sean Sweeney of Headwaters Hydrology, PLLC who did the successful repair work at St. Peter's Church to get a "picture" of the level of work that is needed. We have to do new cross sections so we can compare them and find out whether it is just a cut and fill task or if there is significant materials that need to be removed he said.

Mr. Horgan asked the cost to contract with Mr. Sweeney.

Mr. Capello said the proposed cost is \$11,950.

Mr. Sprague said the proposal includes a field survey, wetlands delineation, a base map, cross sections and profile overlays, preliminary grading and wetland impact plans and meeting with the regulatory agencies. He will develop a plan for 2017 and the town will execute the plan he said.

Mr. Horgan asked what the cost will be to the town if we have to modify the conditions at the river area.

Mr. Sprague said he will not know what the cost will be until the plan is developed.

Mr. Horgan asked if there any grant money available for this type of work.

Mr. Sprague said he tried to obtain a grant for this work once before and was turned down.

Mr. Capello said the grant was denied because the town was not in compliance with the state regulations and the town was looking for money to help get into compliance.

Mr. King said the proposal isn't actually a plan to rectify the situation but to define what the conditions are now.

Mr. Horgan asked where the money will come from for the proposal.

Mr. Sprague suggested the money come from the river maintenance and outside services lines in the DPW budget. There are sufficient funds in these 2 lines to cover the cost of the proposal he said.

Discussion included paying for this survey work could back the town into a \$250,000 problem, the town has no choice but to do this, the levy is not certified and any breach would not be covered by federal funding, annual inspections do not say the town is out of compliance with the original cross sections, compliance requirements keep escalating, existing trees, gardens and structures within the 15' easement to the levy, the cost to get into compliance, the set of standards from 1956, if it legal to keep adding requirements and rivers deposit and take stuff away as their natural course.

Mr. King said the Town won't be able to "eat the bill" and that he won't vote for it.

Motion: (Horgan, second Johnson) to authorize the expenditure of \$11,950 for the purpose to enlist Mr. Sweeney to establish what the needs are as it pertains to the Cocheco River Flood Protection Maintenance Project for Farmington, NH and to authorize the Town Administrator to sign the contract passed 4-1(King opposed).

8). Non-Public Session A:

Motion; (King, second Horgan) to enter non-public session under RSA 91-A: 3 II (c) Reputation passed 5-0 by a roll call vote (King, Johnson, Horgan, Proulx, Titus- yes) at 8:10 p.m.

Motion: (King, second Titus) to come out of non-public session passed 5-0 at 8:30 p.m.

Motion: (King, second Titus) to seal the minutes passed 5-0.

Chairman King reconvened the public meeting at 8:30 p.m.

9).Landfill/Transfer Station Openings:

Mr. Capello said there are currently 2 openings at the landfill- one full time and one part time attendant. He said Mr. King suggested the board consider reorganizing the positions for more flexibility to provide more coverage at less cost to the town. Mr. Capello requested the board decide how to fill the openings so he could begin advertising for candidates.

Mr. Horgan asked Mr. Sprague what certifications were needed for the positions.

Mr. Sprague said the candidates must have a NH DES Level 1 Solid Waste Operator's Certificate and a Weighmaster Certificate from the NH Dept. of Agriculture.

Mr. King said the open positions are currently 1 full time and 1 part time with various hours to cover and vacations and sick leave to work around and asked if it would be better to hire 3 part time attendants to have more flexibility in scheduling coverage and to save the town from having to pay benefits for the full time position.

Mr. Sprague said he discussed the matter with Deputy Director Jason Gagnon and with Chuck Tiffany who is the only employee with the required certifications at this time. He said their consensus was a full time person is needed to be there daily who is familiar with the routine, has a sense of responsibility, can interact with the public and can coordinate the tasks that need to be completed each day.

Mr. King asked how many hours the transfer station is open.

Mr. Sprague said it is open to the public 32 hours a week, 8 a.m. to 4 p.m. on Tuesday, Wednesday, Friday and Saturday.

Mr. Capello added there are other things that need to be done there when the transfer station is

not open to the public.

Mr. Sprague said Mr. Tiffany would have to train the new individuals as he is the only one with the proper certifications and who can operate the scales. Then he would probably visit the landfill to occasionally “spot check” on them he said. He added that Mr. Tiffany is willing to do whatever the town needs him to do but his talents are needed in the water/waste water dept. so they would like to bring him back to those depts.

Selectmen said they would like to see a cost analysis of the cost 1 full time position and 1 part time position vs. 3 part time positions.

Ms. Proulx asked if the hourly wage is identical for both positions.

Mr. Capello said that it is and the pay range is \$12.99 to \$16.25 an hour.

Mrs. Titus noted that the full time person will also receive benefits.

Mr. King said that comes out to about \$27,000 a year in salary and approx. \$30,000 in benefits which is approx. \$60,000 a year. That could be 2 part time people instead he said.

Motion: (Horgan, second Johnson) to authorize the Town Administrator to post for 1 full time position and 1 part time position at the landfill with the appropriate certifications passed 5-0.

Mr. Johnson asked if the town does a criminal record and background check as part of the employment process and if so should it be listed in the posting.

Mr. Capello said he would add it to the posting.

10). Public Safety Building Update:

A). Invoice- Mr. Capello told the board he received an invoice from Groen Construction that he would like the board to approve payment of the bill.

Motion: (Horgan, second Johnson) to authorize the payment of \$\$337,157.09 to Groen Construction passed 5-0.

B). Tank/Rocks Exchange- Mr. Capello said Butch Barron has offered to purchase and install the oil separator tank for the building in exchange for the rocks and gravel at the town gravel pit. There will be no cost involved he said.

Ms. Proulx said there should be some record of the transaction and suggested that a motion be made and reflected in the minutes.

Motion: Horgan, second Johnson) to authorize the transaction with Barron Brothers Construction to purchase and install an oil separator tank in exchange for the rocks at the Town gravel pit at the Sarah Greenfield Business Park passed 5-0.

C). Transfer Switch- Mr. Capello said the board needed to make a decision regarding the transfer switch for the generator the Town is hoping to obtain with a grant. The town can't apply for the grant until the building is 95% complete but it would be easier to install the switch now before the walls are complete. The cost for the switch is about \$14,000 he said.

Motion: (Horgan, second Johnson) to purchase and install a transfer switch not to exceed \$14,500 passed 5-0.

D). Furniture- Mr. Capello said the items not highlighted on the equipment spreadsheet represent items that the board has already approved. The highlighted items on the list include Office Works (\$60,480), Fire Dept. Lockers (\$3,300), evidence items on EBay, etc. (\$12,965.32) and Contingency (\$10,000) at a total of \$86,745.32. The Office Works line will probably be reduced thanks to an anon. donor. The evidence items include a refrigerator and a 6 section floor to ceiling filing system. The contingency may increase when it is determined what energy

credits the town will receive for the building he said.

Mr. King said the board has already approved approx. \$145,000 in equipment for the building. He said the current total amount of funds available is \$412,975 from the following sources; Capital Reserve Fund (\$118,000), reimbursement from Fowler case (\$181,000), bond savings (\$90,000), energy credits (\$12,000) and the EOC grant (\$11,975).

If all items on the list are approved for purchase the total cost would be \$216,582.93 leaving \$196,392 to buy down the bond. The first year bond payment in 2017 is \$235,775 so \$39,383.17 would need to be raised through taxes he said.

Discussion also included what to do with the Fowler money, draining the Capital Reserve Fund and eliminating it, the undesignated fund balance, the other bonds will fall off in the next 4 years and if there is any way to save more money on the items requested.

Mr. Capello said the quotes presented are "as good as it gets" and were achieved by using the lowest bidders and some refurbished materials. He added that 3 rooms of furniture may be eliminated from the list due to the generosity of the anon. donor.

Mr. King asked who has reviewed the quality of the materials on the list.

Mr. Capello said that Chief Drury and Chief Reinert have reviewed the quality of the items. He said if the board chooses the vendor suggested they are the same vendor that outfitted the Dover Police Dept. Chief Drury said he was satisfied with the quality of the vendor's items. The board then reviewed some photos of the vendor's furniture.

Chief Drury explained how some of the rooms will be used, how the officers will be assigned to the rooms and outfitting the meeting room to hold up to 40 people to get the best training for the dept. and lower the cost to the town for the training provided.

Motion: (Horgan, second King) to move forward as requested up to \$216,582.93 passed 5-0.

Mr. King then expressed his thanks to the Chief to pass along to Patrolman Carey and Sgt. Driscoll for the way they handled a recent tough situation for his family.

11). Storage Area for TC/TC:

The board reviewed a memo from Town Tax Clerk Kathy Seaver requesting permission to use a corner area of the 2nd floor of the Municipal Office Building for storage of shelves, file cabinets and storage tubs belonging to the NH Tax Collector's Association and the NHTCA/NHCTCA. She said they currently pay \$1,500 a year for a storage unit and would be willing to pay the same amount to the town for use of the space in the Town building. All entry would be limited to Mrs. Seaver or the Deputy Town Clerk.

Mr. Capello said the group carries their own insurance and the items would not include any confidential records. The Town Clerk currently stores some town records in that upstairs space as well he said.

Motion: (Horgan, second Titus) to authorize the lease of the space to the Tax Collector's Association for \$1,500 a year to be reviewed annually passed 5-0.

12). Open Auditor's Bids: Tabled to the end of the meeting.

13). Review of Policies: Tabled.

14). Town Administrator's Business:

A). Tree Lighting Ceremony- Mr. Capello said Recreation Dept. Director Rick Conway has

requested the Town begin using the live tree in front of the Municipal Office Building for the tree lighting ceremony due to the poor condition of the tree located in the Fire Dept. parking lot. He said the ceremony is scheduled for Dec. 2 at 6 p.m. and he would need sufficient time to notify the parties involved and make sure the event is well publicized. He requested to be notified if there is any reason not to use the tree so he can find an alternative solution.

Ms. Proulx said the intent of the tree lighting ceremony was to be held downtown and it seems to keep moving further away from the original intent.

Discussion included if there are any options for placement of a tree in the downtown area, the tree used to be placed on the traffic island on Central Street but was removed when passing trucks began tearing the lights off the tree and finding the right size tree to put there.

Consensus of the board was to put the tree back downtown in its original location.

Mr. Capello will inform Mr. Conway of the board's decision.

B). For Sale Signs- Mr. Capello showed the board an example of a proposed For Sale sign stating "Town Of Farmington, Property for Sale" and the contact phone number printed within the outline of a house. Discussion included how many signs to purchase, using colors that "pop" and size of the signs. Mrs. Titus said she will ask the owner of a sign company for some design ideas for the signs and return them to the board at the next meeting.

C). RFP for Cameras- Mr. Capello said he would like to put out an RFP for cameras for the Transfer Station facility.

Discussion included if the cameras could be linked to the Police Dept., other areas where cameras should be installed, there is no internet at the landfill, monitoring cameras from a Smart phone, cost for cameras and storage capability, sufficient quality to indentify suspects, how many cameras are needed, and providing a comprehensive plan for what needs to be done there.

Mr. Capello will return to the board with a proposed plan to reorganize some areas at the landfill and suggested camera placements.

15). Additional Board Business: None.

16). Non-Public Session B:

Motion: (King, second Johnson) to enter non-public session under RSA 91-A: 3 II (a) Personnel passed 5-0 by roll call vote (King, Johnson, Horgan, Proulx, Titus- yes) at 9:35 p.m.

Motion: (King, second Johnson) to come out of non-public session passed 5-0 at 9:45 p.m.

Motion: (King, second Johnson) to seal the minutes passed 5-0.

16). Non-Public Session C:

Motion: (Johnson, second Horgan) to enter non-public session under RSA 91-A: 3 II (a) Personnel passed 5-0 by roll call vote (King, Johnson, Horgan, Proulx, Titus-yes) at 9:45 p.m.

Motion: (Horgan, second Johnson) to come out of non-public session passed 5-0 at 9:50 p.m.

Motion: (Johnson, second Titus) to seal the minutes passed 5-0.

Motion: (Johnson, second Proulx) to accept the resignation of Howard Patch passed 5-0.

17). Non-Public Session D:

Motion: (Horgan, second Titus) to enter non-public session under RSA 91-A: 3 II (c) Reputation passed 5-0 by a roll call vote (King, Johnson, Horgan, Proulx, Titus- yes) at 9:50 p.m.

Motion: (Horgan, second Titus) to come out of non-session passed 5-0 at 9:55 p.m.

Motion: (Horgan, second Titus) to keep the minutes of Sept. 19, 2016, Non-Public Session A sealed for 2 more months passed 5-0.

Motion: (Johnson, second Horgan) to unseal the minutes of Oct. 3, 2016, Non-Public Session A passed 5-0.

18). Open Auditor Bids:

Mr. King opened the bids for the auditor’s contract and then asked Mr. Capello to summarize their contents and present it to the board for review at the next meeting.

19). Adjournment:

Motion: (Titus, second Horgan) to adjourn the public meeting passed 5-0 at 9:55 p.m.

The board then held a non-meeting to discuss union contract negotiations.

Respectively submitted
Kathleen Magoon
Recording Secretary

Charlie King, Chairman

Neil Johnson, Vice Chairman

Jim Horgan

Paula Proulx

Ann Titus