

1 **ASHLAND BOARD OF SELECTMEN MEETING MINUTES**
2 **BOND HEARING FOR THOMPSON ST., WATER AND SEWER ARTICLES, AND**
3 **SPECIAL WARRANT ARTICLES**
4 **TUESDAY, JANUARY 9, 2018**
5 **ASHLAND ELEMENTARY SCHOOL LIBRARY**
6 **6:00 PM**

7
8
9
10 **PLEDGE OF ALLEGIANCE**

11
12
13 **CALL TO ORDER**

14 Chairman Newton opened the public hearing at 6:00 PM with a roll call. Chairman Fran Newton,
15 Vice Chairman Harold Lamos, Selectman Casey Barney, and Selectman Leigh Sharps present.
16 Others Present: Town Administrator Charles Smith and Administrative Assistant Wendy Smith.

17
18
19 **WATER AND SEWER**

20 **Article 3:** David Toth, Water and Sewer Commissioner, presented information on the proposed new
21 septic receiving station which will separate non-biological solid from sewage. The current system is
22 deteriorating and inefficient and is operated on an “honor system” in which the septage received is
23 estimated by the customer. The septage receiving station would increase revenues from septage
24 receiving because the new system will have a flow gauge meter. Revenues would also increase due to
25 other factors such as less operating costs. The requested loan will have no cost to the taxpayers and will
26 not affect the water and sewer rate payers. This year revenue generated from septage receiving was
27 used towards operating costs of the Water and Sewer Department. The existing system, if not replaced,
28 would eventually need to be shut down. Mr. Toth went over the operation of the new system and
29 building which includes a separate electric room, solar heating and an automated billing system.

30
31 Mr. Toth discussed the financials of this project. Costs of the new system will be paid for by septage
32 receiving revenues. Total estimated cost is 2.4 million with 10% for overages which can be paid for
33 with grant for \$250,000, approximately \$427,000 in capital reserve, 1 million or more in unassigned
34 funds excluding capital reserve, and septage receiving revenues (last year over \$425,000, this year over
35 \$500,000). The department is requesting a loan as opposed to phasing the project, because Thompson
36 Street is coming up this year and Highland Street will be coming up in 2020 and will need to extend the
37 payments for the septage receiving station to handle these other projects. Their intention is to apply for
38 a State Revolving Fund (SRF) loan which has many advantages for the Town. The loan has a 2% interest
39 rate for a ten year loan as of last year and 10% - 30% loan forgiveness of principal and no closing costs.
40 During construction, charged 1% interest and upon completion payments are started after one year. The
41 loan would cost approximately \$1,520,000; approximately \$20,000 of which is yearly interest, the loan
42 would be paid with a yearly payment of approximately \$150,000. Payments would be up to
43 \$300,000/year to handle this project as well as Thompson and Highland Street. This would leave
44 approximately \$200,000/year for any other capital improvement projects.

1 Chair Newton read Article 3 and opened up discussion on the bond. David Ruell asked if the article
2 can read that it is a revenue bond. TA Smith replied that there was concern that if approved as a revenue
3 bond, the bank may not approve the loan. Selectman Sharps asked if there was assurance that
4 customer's trucking in septage would be charged more than in the past to help pay for the new system.
5 Mr. Toth answered that the rates would stay competitive due to competing with other septage receiving
6 stations in the area. Further discussion involved limits of septage receiving to protect the lagoons as
7 well as wording of the article as related to revenue bonds.

8
9 **Article 4:** Commissioner Toth explained that an Asset Management Plan is a computer system which
10 is used as a tool for long term management and planning for capital assets. It is integrated into a
11 Geographic Information System (GIS) and lists and locates all assets and documents specifications. The
12 system also develops maintenance schedules, tracks maintenance, stores maintenance history, and
13 more. The compiled data helps develop a capital improvement plan. In order to apply for many NH
14 Department of Environmental Services (NHDES) grants and loans this information is necessary. The
15 system will help the Water and Sewer Commissioners make objective decisions. The article is for the
16 municipality to vote on authorizing the issuance of not more than \$30,000 in bonds or notes in
17 accordance with the provisions of the Municipal Finance Act (RSA 33).

18
19 Chair Newton thanked Mr. Toth for his presentation and asked for comments from the Board of
20 Selectmen. Vice Chair Lamos asked if the system would save on logistical legwork and Mr. Toth
21 confirmed it would. There were no comments from the public.

22
23 Chair Newton closed the public hearing for Articles 3 for the proposed septic receiving station bond and
24 Article 4 for the Asset Management Plan bond at 6:30 PM.

25
26 Chair Newton opened the public hearing for Article 2 for the Thompson Street, High Street, and Smith
27 Hill Road Reconstruction Project bond at 6:31 PM.

28
29 **ARTICLE 2: THOMPSON STREET, HIGH STREET, AND SMITH HILL ROAD**
30 **RECONSTRUCTION PROJECT BOND**

31
32 Chair Newton read Article 2 which is to raise and appropriate the sum of \$1,799,420 for the
33 reconstruction of Thompson Street, High Street, and Smith Hill Road and authorize issuance of said
34 amount of bonds or notes. Recommendations require 3/5 ballot vote. TA Smith spoke on the project
35 which was on the ballot last year and failed. The amount is lower than last year because the state doesn't
36 finance the contingency which will have to be taken out of capital reserve. A State Revolving Fund
37 loan would be applied for which has many beneficial aspects which were discussed earlier. A Lakes
38 Region Planning Committee study on Ashland's Roads deemed Thompson Street as the worst road in
39 Ashland. Chair Newton added that the road has gotten worse due to not repairing it and now needs to
40 be reconstructed thus increasing the cost. Once this project is completed and then Highland Street,
41 which is being partially funded by the state; the town will be able to maintain the roads with the Capital
42 Reserve Fund. The Water and Sewer Department will be replacing the water line and the sewer line in
43 this area and will be paying for part of this project, approximately \$300,000. Part of the Highway Block
44 grant has been considered for payment towards this road project. TA Smith ran an amortization on a
45 30 year loan and figured it would be about \$85,000/year with a tax impact of approximately
46 \$28,000/year because \$57,000 in the block grant would be used to offset. Permits and engineering plans

1 in this project are valid for five years and are in their second year. The Board recommends this Article
2 5-0. There were no public comments.

3
4 Chair Newton closed the public hearing for Article 2 for the Thompson Street, High Street, and Smith
5 Hill Road Reconstruction Project bond at 6:35 PM.

6
7
8 **PETITIONED WARRANT ARTICLES**

9
10 Petitioned warrant articles were received and will be voted on at the Selectmen's meeting on January
11 16, 2018. Jane Sawyer gave a brief description of the Article on the 150th Celebration petition for
12 \$15,000. TA Smith spoke on petitioned warrant article to rescind SB2 and that the Board also had an
13 article to rescind SB2. A petitioned warrant article has to go forward, therefore the previous article will
14 be retracted. DPW Director Moore spoke on the need to replace the loader from 1980. The new loaders
15 last payment was made in 2017, therefore there will be no tax impact on purchasing a new loader.

16
17 **DEPARTMENT HEADS**

18
19 Chief Heath spoke his concern that approximately \$7,000 will be taken out of the fire salary line for
20 January 2018 for call fire fighters hours worked in December 2017. TA Smith will speak to the Greg
21 Colby, the town's new financial consultant about making a journal entry to correct this.

22
23
24 There being no other business, Selectman Sharps made **Motion to adjourn at 6:59 PM**. Selectman Barney
25 seconded. **Roll Call Vote:** Barney, yes, Newton, yes, Lamos, yes; Sharps, yes.

26
27
28 Respectfully submitted,

29
30
31 Wendy Smith
32 January 12, 2018