

**Board of Finance
Special Meeting Minutes
July 14, 2016
Town Hall**

George Eckenroth called the Special Meeting of the Deep River Board of Finance to order at 7:30 PM. Present: George Eckenroth, Lori Guerette, Russ Marth, and John Wichtowski. Also present: Angus McDonald, David Oliveria, Duane Gates. The agenda for the meeting is to discuss and vote on the DRES gas conversion project, including financing.

A. McDonald made recommendation from the Selectmen to replace one DRES burner/boiler system with a high-efficiency natural gas burner/boiler system, that can be financed through seven year financing, and will be brought to a town meeting.

It is noted that the project to convert the library, town hall and DRES was previously approved at a town meeting.

Discussion on recommendation as follows:

A. McDonald noted bids have been received, need to have project completed during the summer months when school is not in session, contract obligations with SCG, if DRES conversion is not completed by September 2016 there is a contract fine of \$70,000, and the contract requires three years of exclusive gas heating for the school.

Noted (according to one manufacturer) the existing boilers could last approximately five more years, could replace just the oil burners with dual fuel burners, and would require a new chimney liner for an additional \$30,000. If at this time only new oil burners were replaced the conversion project would cost approximately \$140,000, but would still have 20 year old boilers, which will not operate as efficiently with the new burners or earn the full savings potential. The old boilers will still need to be replaced in the next few years as they are reaching the end of their practical life.

Noted there is a current chimney blockage that needs removal - independent of this project - approximately \$5,000, and inspection to make sure that there is no additional damage to the tile flue.

Noted the BTU needs for DRES are approximately 1,000,000 BTUs, it is recommended to have 100% heating redundancy systems, potential interruptions in supply of fuel, fuel cost changes, potential to keep one of the oil burners.

Project includes the completion of the DRES kitchen conversion, piping and hot-water heater, the project total would be approximately \$180,000.

Financing being considered at 4% with seven year lease on \$200,000, currently looking to other financial institutions for other options, lease cost of approximately \$32,856 yearly would be approximately \$7,000 savings over current fuel costs of \$41,296.

Noted discussion of \$100,000 threshold on a project for prevailing wage obligations, and purchase outright or lease to own financing options.

On MOTION made by R. Marth, seconded by J. Wichtowski, to authorize selectmen to proceed with burner/boiler system replacement at DRES with a high-efficiency natural gas burner/boiler system, not to exceed \$200,000. Discussion of financing still being pursued, at a rate not to exceed 4%. Town meeting to discuss this project on Wednesday July 20 at 7:30 pm. Motion CARRIED.

On MOTION made by R. Marth, seconded by J. Wichtowski to adjourn at 8:34 pm. Motion CARRIED.

Respectfully submitted,

Lori Guerette, CRA COA
Vice-Chair and Secretary