



SELECTMAN'S OFFICE
174 Main Street
Deep River, Connecticut 06417

BOARD OF SELECTMEN

DEEP RIVER TOWN HALL

Regular Meeting — March 10, 2015

Attendance: Selectmen Richard Smith, Angus McDonald & David Oliveria. Also: Margo Hilfinger and John Greene (*videography*); Jonathan Kastner.

This regular meeting was called to order at 6:30 pm by Smith.

Minutes: Regular Meeting of February 24, 2015

Motion by Oliveria, MacDonald 2nd, to approve the minutes of the regular Meeting of February 24, 2015.

APPROVED 3 – 0

Appointments:

There were no appointments, but Smith advised the Board that Carol Jones has resigned as a member of the Parks & Recreation Commission, noting that she will continue as the Commission's paid Director. The Community Health Committee had also requested that the Board of Selectmen advertise for volunteers to fill vacancies. Residents interested in serving on either body should contact the Selectman's office.

Regionalization of the Deep River Elementary School:

Smith reported that he had met on Saturday, March 7th, from 9 am till noon, with school board members, Selectmen from Chester and Essex and Regional District staff, to discuss advantages and disadvantages of regionalizing the three elementary schools.

NOTE: In 1948 residents of the Chester, Deep River and Essex voted to establish Regional School District #4. Unique among Connecticut's Regional systems, District #4 does not include the elementary schools. Instead, the towns opted to retain individual authority over their elementary schools: budgets, building and property maintenance and election of their school boards. Each town also elects representatives to the Regional District #4 board. The Supervision District Board, composed of members drawn from the Regional District and Elementary School Boards, oversees district-wide services such as school busing.

In assessing the pros and cons for Deep River, Smith noted that regionalization would allow sharing specialized staff, equipment and services among all five schools, which could result in savings. Consolidation of auditing and other administrative services could also decrease costs.

Chester and Essex would benefit immediately through savings related to their declining ADM (Average Daily Membership=student population). Because Deep River's ADM is projected to remain stable over the next several years Deep River would not experience similar savings.

Longer term disadvantages for Deep River would be an estimated \$250,000 increase in FY 2016-17 and future years. Five years ago, when a similar regionalization proposal was made, Essex Elementary School had a relatively high enrollment, similar to Deep River's today. At that time Essex did not support the proposal, due to the increased costs it would have to absorb.

Smith noted that for the 60 years since the district's establishment, the town has forgone potential tax revenues on Regional District properties. Deep River has also borne the cost of providing police, fire and EMS services, and has experienced significant highway maintenance costs that are the direct result of vehicular traffic generated by the Valley Regional and John Winthrop schools.

Smith reiterated that he had emphasized the necessity for host community compensation. Without a firm commitment to offset the Town's lost revenues and extra expenses, Deep River would be at a significant financial disadvantage for years to come. Lacking the incentive of compensation, Deep River's approval would be unlikely.

A local example of host community reimbursement is the agreement between Essex and the other towns (including Deep River) who participate in the Connecticut Resources Recovery Authority (CRRRA), the regional facility that processes trash and recycling. As a condition of hosting CRRRA on town property at the Essex-Deep River Town Line, Essex receives approximately \$ 40,000 per year as host community compensation.

Smith noted that another district-wide meeting is scheduled for Saturday, March 14th, and that Selectmen MacDonald and Oliveria are welcome to attend. A vote on the final proposal could be as early as this coming June. Voters in each town would have to approve the regionalization: one town's dissent would defeat the proposal.

Audience of Citizens - Any Other Matters to Come Before the Board:

Margo Hilfinger asked for details concerning the proposed installation by UIL Holding Company of a natural gas pipeline. Smith explained that the pipeline would extend north on Route 154 from its present terminus in Centerbrook. After crossing the Essex-Deep River Town Line, it would continue as far as the Main Street / Winter Avenue intersection.

Smith noted that computing the cost / benefit ratio from the Town's perspective will require a complex analysis. While all residential and commercial properties along the route could benefit by converting to lower cost natural gas, the costs of pipeline construction can only be justified through commitments by large volume customers. UIL is requiring the participation of manufacturing plants (such as Silgan Plastics) and municipal buildings (Deep River Elementary School, Town Hall, and Public Library). Smith said that he is researching the costs of converting existing heating plants to natural gas, as well as estimating how quickly long term savings from lower fuel costs will offset the expense of conversion.

Another factor is UIL's request that the Town contribute approximately \$250,000 toward construction of the pipeline. Smith noted that there may be an alternative to an actual subsidy: since the pipeline will be assessed as personal property, the Town could offer the incentive of tax abatement for up to five years. To estimate the tax revenue generated by the pipeline, Smith has requested that Assessor Robin O'Loughlin ask Old Saybrook and Essex Assessors how they have valued their portions of the pipeline. The Selectmen expressed their preference for tax abatement in lieu of a payment of \$250,000 to UIL over five years.

If these issues can be resolved, and approval is granted by the Board of Selectmen and residents, construction could begin this Spring and be completed by the start of the 2015-16 heating season.

Smith described his view as optimistic: properties with access to the pipeline, especially in commercial / industrial zones, would become more attractive to potential buyers, and their increased value would benefit the entire town.

Adjournment:

Motion by Oliveria, McDonald 2nd, to adjourn at 7:42 pm.

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Respectfully submitted,

Richard H. Smith,
First Selectman