

FINAL

**BOARD OF SELECTMEN'S MEETING**

**December 20, 2004**

**7:30 PM – MUNICIPAL OFFICE BUILDING – HANOVER, NH**

The Chairman, Brian Walsh, called the meeting of the Board of Selectmen to order at 7:30 pm. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice-Chairman; William "Bill" Baschnagel, Selectman; Peter Christie, Selectman; and Julia Griffin, Town Manager.

**1. PUBLIC COMMENT**

There was no Public Comment.

**2. PUBLIC HEARING TO CONSIDER AND APPROVE RENEWAL OF FRANCHISE AGREEMENT WITH ADELPHIA**

Chairman Walsh said the Selectmen received a copy of this agreement last Friday and has had time to review it.

Ms. Betsy McClain said this process started quite a while ago and this agreement has been extended several times. There were a series of Ascertainment Hearings to see what they were looking at in a renegotiated Cable Franchise Agreement. At that time Adelphia was not offering cable modem service. That was priority number one heard from the community. Another priority that came up was expanding Adelphia's service area into the more rural areas on Hanover. Another element was securing additional resources to continue to support our Public Access Television efforts locally. The good news is that Adelphia now offers cable modem service, which narrows our focus on the Franchise Renewal. We are looking at service area and what we may be able to do as far as expanding the footprint. Ms. McClain feels they have done a good job as far as defining a fair density requirement for service area. Ms. McClain is also satisfied with the support that Adelphia has agreed to give CATV in resources to secure additional broadcast equipment.

Ms. McClain said Mr. Ciandella, our Telecommunications Attorney, and his staff have looked at this agreement and the Hanover Broadband Agreement, approved a few weeks ago, and have made every effort to assure that both agreements were fair and equitable to all parties involved.

Mr. Ciandella said he would like to spend a few minutes reminding the Selectboard of the legal and practical framework in which we are operating. The Cable Franchise is really a license by which the Selectboard permits the use of public property. This is a license that permits the cable operator to install their equipment on public property. The licensing of public property in the case of cable television is a matter that is governed by interplay of

State and Federal Law. The basic Federal Law standard for a Cable Franchise Renewal is that you look back at how this cable operator has performed under the existing agreement and you look forward to the future cable needs of the community. The Ascertainment Hearings were intended to get at what those future needs might be. New Hampshire law is in play tonight because it talks about a level playing field when there is more than one franchise, however the provisions of New Hampshire law don't apply fully to an open video system. We have taken great pains to be sure that the Hanover Broadband OVS Franchise does measure up with the cable franchise.

Mr. Ciandella said in terms of this agreement, the components are really shaped by the Ascertainment Hearings describe by Ms. McClain. In terms of the extension of the system, we have a basic formula within the agreement, which is the formula of 20 homes per mile. They are really two variations of a 15 home per mile density formula, one based on a certain level of subscriber commitment to the Adelphia product and one based on a cost sharing formula. That provision is not completely square as to where we ended up with Hanover Broadband. We were not able to move Adelphia into the position we wanted. Mr. Ciandella, overall, feels this is a positive agreement, which sets the stage for new competition within the Town; competition within the Town will drive these businesses more than anything that is written on the franchise.

Mr. Ciandella said there are 7 issues that still need to be resolved with this agreement. One is that we like to have reservation language in the grant that says, "we are granting this authority under RSA 53 C; we are reserving our authority under RSA 231". Most of these points are agreed upon by both parties and simply need to be written into the agreement.

Mr. Ciandella said another point that needs to be changed is the section that has the Selectmen as the signature; this should be the "Selectboard or its designee". There is going to be a side letter by which Adelphia will commit to provide cable modem service at a reduced rate to municipal offices and buildings. If you look at the PEG exhibit, there are really two formulas for triggering the third channel. This is a drafting issue.

Mr. Ciandella said in the definition of gross revenue, the Town has agreed to exclude advertising revenue from the Home Shopping Network. Adelphia asked that this be explicitly excluded on the definition. Another minor drafting issue is in terms of abandonment; Adelphia has said it should be clear in terms of forfeiting a performance bond that Adelphia the must abandon and not provide service.

Mr. Ciandella said another issue that has just came up before this hearing is that the Town seeks three additional origination points to those that are listed in the agreement. These are points at which live programming can be originated. Those three points are the elementary (Ray) school, the new Middle School, and the Community Center. Ms. Griffin said those origination points are also included in the Hanover Broadband Agreement.

Jerry Buckley, Regional Director of Government Relations for Adelphia is on hand along with Pete Jablonsky, who is the Regional Operations Manager for Adelphia in the Hanover area, and Pete Wilson, who is Adelphia's Regional Counsel. Mr. Buckley said was happy to sit down with the Selectboard to get a new franchise. Adelphia has provided the Selectmen with some materials that include their new installation package. This is what all new customers would get.

Mr. Buckley said with the recent upgrades described by Ms. McClain; Hanover has a state of the art cable system. Along with the new customer service packet is some statistical data talking about their high-speed internet service, the video recorder service, the digital cable services, and high definition TV.

Selectman Baschnagel said there is a minor typo on page 3. In section 3.9 there is a reference to Section 3.18, at some point the numbers must have changed because this should be Section 3.17. Ms. Griffin will address this.

Vice Chairman Connolly asked how one is to read Section 3.15, with the note "deleted" on the side. Mr. Ciandella said this definition is written in a way to describe all revenue derived from cable service. We define that in a flexible way in the agreement. For a specific example, up until 2 years ago cable service included revenue derived from cable modem service. The franchise fee of 5% included revenues derived from internet. What has happened in the Telecommunications Act is that they defined telecommunications service and they defined cable service and it wasn't clear that those definitions included internet. Most cable companies wanted it to be a cable service because it is proprietary and they wouldn't have to open it. The Ninth Circuit Court of Appeals said they think is a telecommunications service and then the FCC said they don't think it's a telecommunications service or a cable service; they think it's an interstate information service. Mr. Ciandella said revenue derived from cable service the way its defined here would bring those funds from the revenue of the internet service should come back into the gross revenue definition. Without the Town doing anything more, we will have expanded the gross revenue base. Federal law permits the Town to take 5% of the franchise's gross revenue as a franchise fee. It has been negotiated to leave out home shopping networks, but otherwise it is a big robust gross revenue base.

Selectman Baschnagel asked why Home Shopping Networks are left out of this. Ms. Griffin said this was just a negotiating point. She spoke with a staff attorney in Mr. Ciandella's office who quantified the leave out, and it is very small. This is for shopping services that are offered by Adelphia. In the context of trying to win other things, Ms. Griffin thought we could leave this out. Mr. Ciandella said one thing about the Home Shopping Network revenues is that they are generally not accounted for on a town-by-town basis. They don't really track that advertising revenue as it comes to Hanover; it is really in a broader area. As a result, one of the arguments of not having this in gross revenue is that Hanover subscribers could get hit with a franchise fee that is effectively higher than 5% because they are getting hit with the base of gross revenue that includes advertising revenue that is not even coming from Hanover.

Chairman Walsh asked if internet is in this agreement. Mr. Ciandella said as a matter of Federal Law, no; but as a matter of this contract, if Federal Law changes, the answer would be yes.

Vice Chairman Connolly asked if the term of the contract detailed on page 4, which is ten years, is usual and customary. Mr. Ciandella said in our case there were a number of factors that drove this. Part of it is there arose out of time, into the franchise, there was a rebuild and investment of capital in Hanover. Typically the term relates to the investment in the system to allow a rate of some return on capital. The other factor that drove this is that ten years is our term with Hanover Broadband.

Chairman Walsh asked if the term "annexed territory" on page 4, section 4.4, means where cable lines are extended. Mr. Ciandella said that actually means the territory of Hanover and any annex. Chairman Walsh said this would apply if Hanover annexed a portion of another town. Ms. Griffin said this is not likely to happen. Mr. Ciandella said this would also apply if Hanover were to have a regional school district in which they would want to have cable jurisdiction.

Chairman Walsh said, referring to page 5, section 4.6, that a standard installation is defined as an aerial installation, but in many parts of Hanover standard installation is underground. Chairman Walsh said he is confused as to how all that works. Mr. Ciandella said the intent of the agreement is that even where there existing aerial which is then placed underground, the cable would go underground with the cost then allocated among the cable and utility providers and where there is virgin territory and everything is going underground, then cable would go underground as well. Mr. Ciandella said he would take a hard look at this agreement to make sure that intent is made clear.

Ms. Griffin said if you look at page 6, section 4.7 b, in Ms. Griffin's mind, that is where this is made very clear. The standard installation refers to your average metropolitan installation, but in areas where underground installation is required, section 4.7 b commits to that.

Selectman Baschnagel asked if the individual homeowners would have to pay additional costs above the standard installation costs to have the underground installation. Mr. Ciandella said the standard nature of the installation refers to the distance from the feeder cable, so the under grounding in the right-of-way establishes the plant, from which you measure to the house. Selectman Baschnagel said what this really means is that you would get 200 feet with your standard installation and if you have to go further, then it's negotiable.

Ms. Griffin said the standard installation should say that this is an "aerial or underground installation". Chairman Walsh said what he wants to make sure is that this agreement lines up with the Subdivision Regulations and the Zoning Regulations within the Town.

Mr. Wilson told Mr. Ciandella that he can just add "or underground" to section 4.6, on page 5.

Chairman Walsh said, referring to section 7.2 b, on page 9, the list will be expanded. Mr. Ciandella said that is not quite true. There are two different things, this is a provision of free cable modems to those in Exhibit B and we are talking about price-subsidized provision of services to municipal buildings

Vice Chairman Connolly said on the bottom of page 11, the last paragraph talks about "a serious system malfunction" being when (3) or more calls are received from any one neighborhood. Vice Chairman feels an outage is an outage. You may have a whole neighborhood that is out but only one neighbor knows about it because they are the only one with a television on at the time. Mr. Wilson said this section is talking about system outages. If you have one person without cable, there is a different level of response. Vice Chairman Connolly asked if a system outage would be three subscribers in close proximity, such as a neighborhood. Mr. Jablonsky said that would be considered a network failure, as opposed to an individual having problems with a modem. Vice Chairman Connolly said the threshold is three; however, what if a whole neighborhood goes out but only one person has a television on. Would you have to wait until two more people discover it's out for service? Mr. Jabonsky said Adelphia has telemetry that monitors their network and would let them know when the system is down. Alarms go off in different parts of the country to let Adelphia if they have a problem.

Ms. Griffin said that the Subscriber Complaint Practices is Section 8.3 on page 11, and this would apply to any individual subscriber complaints. This requires Adelphia to have an answering service that takes complaints 24 hours a day. It also requires Adelphia to respond to those complaints within 24 hours, during normal business hours.

Selectman Baschnagel asked about the \$25,000 performance bond in Section 13.1, on page 15. Selectman Baschnagel does not recall what we set for Hanover Broadband, but he believes it was higher than \$25,000. Selectman Baschnagel asked if that is an adequate bond. Mr. Ciandella said the performance bond for Hanover Broadband was \$50,000 while the system is being constructed and after the system is constructed the bond is reduced to \$25,000.

Chairman Walsh said in Section 14.1(a) that if the grantee has the right to subpoena, then the grantor should have that right as well. Mr. Ciandella agreed with this.

Chairman Walsh said he couldn't understand the Franchise Requirement in Section 17.6 that starts on page 19. Mr. Ciandella said that New Hampshire law requires anyone operating a cable system within a town to have a cable franchise. Ms. Griffin said this section reinforces what New Hampshire law requires. This is just extra protection for Adelphia.

Selectman Baschnagel said that one of the issues mentioned that is going to be resolved is that we are going to identify additional origination points. Selectman Baschnagel would like to know where the list of origination points is. Mr. Ciandella said there would be a new paragraph added to Exhibit C, which will detail the origination locations including the additional locations discussed earlier.

Vice Chairman Connolly asked if the paragraph in Exhibit B that says "Service locations will be required to sign Adelphia's standard cable modem service agreement" applies to all cable modem attachments. Mr. Ciandella said yes, it does, this is standard. There are licensing and other issues from Adelphia's point of view.

Selectman Christie asked Mr. Ciandella to refresh his memory as to what magnitude of franchising fees the Town would be receiving. Ms. Griffin said this would be around \$60,000 a year.

**It was MOVED by Selectman Baschnagel and SECONDED by Selectman Christie to adopt the renewal of a Franchise Agreement with Adelphia, subject to final review and resolution of the seven key issues, and to authorize the Town Manager to sign this agreement when those issues are resolved to her satisfaction. THE SELECTBOARD VOTED UNANIMOUSLY TO ADOPT THE RENEWAL OF A FRANCHISE AGREEMENT WITH ADELPHIA, SUBJECT TO FINAL REVIEW AND RESOLUTION OF THE SEVEN KEY ISSUES, AND TO AUTHORIZE THE TOWN MANAGER TO SIGN THIS AGREEMENT WHEN THOSE ISSUES ARE RESOLVED TO HER SATISFACTION.**

**3. PUBLIC HEARING TO CONSIDER AND APPROVE PROPOSED ORDINANCE NUMBER 4, PRIVATE CONSTRUCTION ON CLASS VI HIGHWAYS AND PROPOSED ORDINANCE NUMBER 5, SEASONAL RESTRICTIONS ON TOWN HIGHWAYS**

Chairman Walsh said the Selectmen received these ordinances about three weeks ago in draft form. They had a chance to review them in final copy over the weekend.

Ms. Griffin said the changes to Ordinance Number 4 are fairly minor. These have been done in response to things that we have encountered having to do with private construction on Town Class 6 Highways.

Ms. Griffin said the first change to Ordinance Number 4 is in Section E1; we have added the words "but still within the Town Right-of-Way", which essentially says that when we are outside of the Town Right-of-Way we don't have any jurisdiction. There have been times when property owners abutting Class 6 Highways have tried to get the Town to intervene on their behalf as a result of work on somebody else's property.

Ms. Griffin said Section 4D on Ordinance Number 4 is a new section, which says that “ a Public Works Director may require that a bond may be posted, who will impose reasonable conditions and may establish reasonable requirements for the bond so that it may be used to restore the highway to a standard acceptable to the Public Works Director”. This is in response to some issues we have dealt with on Class 6 Highways in the past.

Ms. Griffin said we have added Section 4F to Ordinance Number 4, which has to do with what will happen in the event of a violation. The Town attorney recommended this.

Chairman Walsh said this enables the Town to say “cease and desist” and assess fines in the event of a violation.

Selectman Baschnagel asked Ms. Griffin why the phrase “within a calendar year” is included in Ordinance Number 4. Ms. Griffin said what we have found in the past is that State Statute says we can increase the fine as long as both events occur in a calendar year. If they occur when there is at least a year between them, the clock starts ticking again. Selectman Baschnagel said he would not like the Town to get caught in the position where one offense is in December and another offense is in January, and that is not in the same calendar year. Ms. Griffin said the calendar year refers to 365 days from whenever the clock starts ticking.

Selectman Baschnagel said one issue that came up at the Conservation Commission is that while they are in support of this ordinance, they noted they would that if the Conservation Commission were improving trails on a Class 6 Highway, they would have to go through this process as well. Ms. Griffin said this may add a bit more time, but residents are happy when the process is open and visible. Chairman Walsh said it is good for the Town to hold themselves to the same standard they hold everyone else to.

**It was MOVED by Vice Chairman Connolly and SECONDED by Selectman Christie to approve proposed amendments to Ordinance Number 4, Private Construction on Class VI Highways. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE PROPOSED AMENDMENTS TO ORDINANCE NUMBER 4, PRIVATE CONSTRUCTION ON CLASS VI HIGHWAYS.**

Ms. Griffin said Ordinance Number 5 previously said “weight restrictions on Town Highways” and now says “seasonal restrictions on Town Highways”. What we have done with this ordinance is to add the Class 6 Highway element. This allows us to post Class 6 Highways, as well as our Class 5 Highways, seasonally. These seasonal restrictions would essentially mean mud season, but would also allow us to post roads during extremely heavy rains, even though mud season has past. This is intended to allow the Town to avoid some of the damage done to our Class 6 Highways done by off road vehicles in the spring. Selectman Baschnagel said this past fall would have been a good time to have this ordinance because we had a number of jeeps that did damage to our Class 6 roads.

Ms. Griffin said Ordinance 5 has a new item, 5A, which says "the Director of Public Works or his designee may impose temporary wheeled or motorized restrictions on users of any Class 6 Highways during such periods as, in his or her judgment, freezing, thawing, or other weather conditions have rendered the highway susceptible to unreasonable damage if used by wheeled or motorized vehicles." Section 5B says such restrictions shall be imposed by posting the legible signs, at points of access to the highway from other public ways or at other locations, which bear the legend " No \_\_\_\_\_ vehicles until the Director of Public Works determines that this road is suitable for such use". Section 6 indicates that a bond may be imposed; if for example; need to gain access to the road. Section 7 is added clarifying language in the event of a violation and the imposition of fines for that violation.

Chairman Walsh asked Ms. Griffin if she would be changing the names of the signatures. Ms. Griffin said she will and the clean copy with all the changes will be in the signature file to the Selectmen if they move to pass the changes.

**It was MOVED by Selectman Baschnagel and SECONDED by Selectman Christie to approve proposed amendments to Ordinance Number 5, Seasonal Restrictions on Town Highways. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE PROPOSED AMENDMENTS TO ORDINANCE NUMBER 5, SEASONAL RESTRICTIONS ON TOWN HIGHWAYS.**

Chairman Walsh said the more broadly known these ordinances are throughout Town, the more effective they will be. Making this understood is important. Chairman Walsh thinks the Conservation Commission has a piece in that. Selectman Baschnagel said one thing that was talked about at the last Conservation Commission meeting was modifying the signage that identifies Class 6 roads. We need to modify that signage to reflect things like this ordinance and appropriately condition the use.

**4. UPDATE REGARDING GILE TRACT AFFORDABLE HOUSING FEASIBILITY STUDY**

Rob Bryant from Twin Pines Housing Trust and Chuck Leif of the Hartland Group are on hand to give an update regarding the Gile Tract Affordable Housing Feasibility Study.

Mr. Bryant said with a lot of study by various groups including the Hanover Affordable Housing Group, Twin Pines Housing Trust has determined that this is definitely a feasible project, but is not without a lot of challenge. The foremost threshold issue is access to the site. Mr. Leif had, for quite a long time been working under the assumption that they would be able to access the site from Buck Road. When it was learned that there are quite a lot of challenges, they turned to DHMC. They are in serious negotiations with DHMC to having sole access to the Gile Tract from the North Medical Center Drive. This would not be a through-road, it would just be for Gile.



Mr. Bryant said Twin Pines Housing Trust also has a draft Purchase and Sale Agreement with the Town of Hanover that Chuck Leif will be presenting to Jonathan Edwards tomorrow. It recognizes some of Selectman Baschnagel's comments when they first came out with the first version of this Purchase and Sale Agreement.

Twin Pines has identified a lot of things that are just in the conceptual stage such as unit mix and the rents. They are still refining the plan for limited equity home ownership. That will be addressed in the Purchase and Sale Agreement. Mr. Bryant said Twin Pines is currently in the process of securing an initial \$50,000 pre-development loan; plus an additional \$250,000 to \$300,000 loan for pre-development costs to take the project through permitting. All of this is with a goal of breaking ground in 2006.

Mr. Bryant said one of the decisions that has been made, because of the current negotiations with DHMC, is that Twin Pines will not go in for tax credit financing in February. That financing is issued through the New Hampshire Housing Finance Agency in two competitive rounds; one of them is in February and one is in July. Because DHMC's Board Meeting is in March, Twin Pines will not be going for these tax credits in February.

Mr. Bryant said all of this is good news. What are not so easy to respond to is that in order to get to those points, there are some pre-development costs that his firm is still in the process of identifying. Thus far, the Town of Hanover has put in about \$24,000, half of which was provided by a private resident. The State of New Hampshire, through the New Hampshire Financing Agency, has provided a grant of about \$30,000, which becomes a loan if the project goes through, and remains a grant if it is determined that the project is not feasible. Twin Pines has also spent about \$22,000 of its own operating funds on this project. They have about \$33,000 of invoiced expenses by the variety of design teams; those members have willingly deferred payment until Twin Pines gets a little further along with the project. To date, Twin Pines has incurred expenses of about \$106,000, of which \$32,000 is not yet paid. Chuck Leif said in terms of the Hartland Group's work, it is not reflected since June; they have not only deferred, but they haven't invoiced Twin Pines and that will happen at some point. The Hartland Group will not invoice until there is sufficient pre-development funds to cover those costs. Mr. Bryant said this is true of several other members of the design team, from the architects to the engineers and landscape designers.

Mr. Bryant said what Twin Pines needs is to make some very immediate decisions so this timing can proceed without hesitations. The most important of that is a survey, which they anticipate will cost between \$3,000 and \$4,000, followed by an appraisal, which is estimated to cost about \$5,000. The appraisal is going to be key to the success of the Purchase and Sale Agreement with the Town. Twin Pines is already involved in phase two of the traffic analysis. They will need to identify items that DHMC will need to satisfy them about. This is largely related to how any DHMC development would impact that North Road intersection. What has been determined that Gile alone onto DHMC, would not significantly impact that intersection. Twin Pines estimates the traffic analysis

is going to cost \$4,000. They will also need to do a market study which could range anywhere from \$4,000 to \$7,500, depending on how many markets they will need to study. A market study is necessary to obtain this competitive financing. This market study would supplement the study done by the Affordable Housing Commission. Mr. Bryant said a Phase One Environmental Analysis would also be required. He anticipates this will cost \$2,000 to \$3,000. If you take the maximum of all of this, it comes to about \$23,500. The Twin Pines Board has authorized the expenditure of \$10,000 to get these things started.

Mr. Bryant said Twin Pines would be presenting a draft letter to the Hanover Selectboard requesting a grant of \$20,000 to cover some of these costs. The \$10,000 their Board has proposed to spend is because they need to get these things going. The idea of the Town participating to that extent would just further leverage those other financing sources Twin Pines is going to.

Mr. Leif said typically that pre-development funding has come from one or more loans from the New Hampshire Community Loan Fund, and this is where they started. The Gile project is a bigger project than the New Hampshire Community Loan Fund generally handles. The loan fund is also pretty expensive. Mr. Leif was motivated to look outside the boundaries of the State to see what else they could do based on relationships he has had in other situations. Mr. Leif did go to some of the national intermediaries that are mission driven to make pre-development loans to non-profits for affordable housing. As a result, the Hartland Group is in serious negotiations with one group called Partners for the Common Good, which is a Washington DC based lending institution, principally funded by religious order pension funds. This would represent a significant discount from which New Hampshire Community Loan Fund is capable of lending. Partners of the Common Good have actually identified a source of pre-development funds that has been set aside for the Hartland Group to apply for. They hope to have an application in place before Christmas. These loan payments would be deferred until the construction loan closing.

Said the project is still projected to have 120 units. They are currently fine-tuning the project mix of equity-restricted for sale units, market-rate for sale units, and a mixture of market-rate and low-income rental units. Twin Pines will be making a formal proposal to the Selectmen on this. Chairman Walsh asked if this ratio would be part of the Purchase and Sale Agreement. Mr. Leif said that is fine, the draft Purchase and Sale Agreement that he intends to go over with Jonathan Edwards tomorrow does contain some ratios, but they are really just a place holder to work back and forth. Chairman Walsh said he is not troubled by a place holder right now, he would just like to insure that when the Town transfers this land that the Town is getting out of it what the Town expected and if that doesn't happen then the Town has recourse.

Ms. Griffin asked Mr. Leif and Mr. Bryant if there is any USDA or RUS money available. Mr. Leif said there is definitely Rural Development money out there. He has had some conversations with various officials regarding this.

Mr. Bryant said Twin Pines next step would be to show a draft of a letter to Ms. Griffin on behalf of the Affordable Housing Commission. The Affordable Housing Commission came up with the idea. Twin Pines will be showing the draft letter to the Affordable Housing Commission and the Selectboard to get their input before they make a formal presentation.

Chairman Walsh said he is concerned about the access to the site. He is not concerned with the Hospital, he is concerned about the City of Lebanon. He would like to be sure that the City of Lebanon supports this. We went into this with the expectation that the access would be in Hanover through Buck Road. Chairman Walsh understands why those changes are happening and believes they make sense, but he is hoping to get some positive signals. He would hate for this to become an issue of contention between Hanover and Lebanon. Mr. Bryant said Ms. Griffin has previously proposed a joint meeting between the Hanover and Lebanon Planning Board, and that is still Twin Pines' intent, but they haven't approached Lebanon yet because they still need a little more DHMC buy-in before they do that. Vice Chairman Connolly said a joint meeting between the two Planning Boards is scheduled for January 17<sup>th</sup>.

Selectman Christie asked Mr. Leif to give some background as to how this project has progressed compared to others. Mr. Leif said it has progressed well in the sense that when they stepped in the project did not appear to be economically viable, principally because it was presented as a 60-unit project. Mr. Leif didn't feel the Hartland Group could support that, their recommendation to Twin Pines was that they take some time to do a feasibility study. This was done and the model was created that includes 120 units, which is a sustainable model. At that time it was clear that the landlocked nature of the site was going to be the biggest issue. Mr. Leif's biggest regret is they spent so much time trying to work out a solution to the north. Once it became clear that it was going to be very difficult to work something out to the north, The Hartland Group had the first meeting in July with DHMC. This meeting was break-through because they went into the meeting thinking that DHMC would only be interested in allowing emergency vehicle access, but they left the meeting with the understanding that if the traffic study said what they believe it will, they would get the okay to move forward. Mr. Leif said the financing sources they have identified in the last four months, is on par for this stage of this type of project. Mr. Leif feels in the last six to seven months significant progress has been made.

Mr. Bryant said he realizes the Town may occasionally get inquiries from the public. Pine Pines will try to alleviate those pressures as best they can.

Selectman Baschangel asked how the \$20,000 grant they are requesting from the Town will relate to the other sources of funds they are going for. Mr. Bryant said Twin Pines has no idea about the timing, but they would like this as soon as possible. They had no expectation that they would receive this next week or even next month that is why Twin Pines Board has opted to spend that money to keep this project going. Ms. Griffin said Twin Pines doesn't want to wait until July, they are hoping that the Town will find that

money in their current budget to fund this. Ms. Griffin and Ms. McClain have already begun to scour the current budget to look for savings or unanticipated revenue. Mr. Bryant said this would also be a step toward getting those other fundings because the Town has already committed a pretty reasonable amount of money, plus this potential additional amount.

Mr. Leif said he will have a formal request for this grant prepared relatively soon and they the Selectmen can see how it fits into their agenda.

Chairman Walsh said before the Town commits money for this in a grant, he would like to see a positive response from the City of Lebanon, so we don't send the wrong signal to Lebanon. Chairman Walsh said this is important to him and he thinks it's important to the Town.

Ms. Griffin said that Mr. Leif and Mr. Bryant mentioned that the Phase 1 and Phase 2 traffic analysis show that the Gile Tract doesn't have a significant impact on the intersection of Medical Star Drive and Route 120. It would probably be helpful to have some of that information when we go talk with the City of Lebanon. Mr. Leif agreed and said that should be no problem. Mr. Leif said in early January they may have another traffic study done as well, they just found a scope of additional information that DHMC wants, but these aren't too onerous. Either way they should have enough information to demonstrate to Lebanon that it is not a significant impact on the City of Lebanon. Mr. Bryant said if any of the Town members or Town staff would like that information, it is readily available.

Selectman Christie asked what the probability of success was for securing the pre-development funding and the construction funding. Mr. Leif said he believes both are highly probable. Construction funding available is significant. The only way that construction funding would fail would be if a market analysis showed something that is so different from what they believe is the market. There is a lot of construction financing in the capital markets for projects like this. They have also received nothing but positive response on the pre-development side as well.

Bob Strauss, Chair of the Affordable Housing Board said this project is the centerpiece of the Affordable Housing program. They have two other smaller things going on plus the existing 24 units, but they won't be doing anything significant if this project doesn't go through. There is not other land where they can build 100 units right now. For the security of the entire program, this is an effort that demands support however we can do that.

Selectman Christie said he hopes the Public understands the amount of time, energy and effort that has gone into this project in the last two years. We are getting close to the point of solving the significant problems; we just need to finish it.

**5. BUDGET UPDATE**

Ms. Griffin said she is in the preliminary stages of the budget process. She has been talking with all the departments and some of the things they would like to do. She then will take a preliminary cut at yes, no, or maybe. The departments will then finish up their budgets and Ms. Griffin will make the necessary cuts based on Betsy McClain recommendations as to the amounts that will need to be cut. Ms. Griffin and Ms. McClain will then go over the "wish list" and identify any items they feel may need to make it into the proposed budget as opposed to residing on the wish list.

Ms. Griffin pointed out to the Selectmen that for the second month in a row the CPI for this region is 4.2%, with Boston only being at 3.8%. We have now been at 4.2% for two full months. Ms. Griffin feels fuel pricing largely drives this. The Selectmen have given Administration the tax rate target of 3%. Ms. Griffin will wait to see where December comes out, but we are getting hammered on fuel prices alone. As it stands right now, we are looking at a \$65,000 increase in fuel prices alone for next year's budget. Ms. Griffin isn't sure whether the Selectmen will contemplate going over the 3% tax rate target, but we are at a CPI of 4.2% for the second month in a row.

**6. BANNER REQUEST – POND PARTY**

**It was MOVED by Vice Chairman Connolly and SECONDED by Selectman Baschnagel to approve a Banner Request to hang a banner over Main Street from January 28, 2005 to February 15, 2005 to advertise the Occum Pond Party. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE A BANNER REQUEST TO HANG A BANNER OVER MAIN STREET FROM JANUARY 28, 2005 TO FEBRUARY 15, 2005 TO ADVERTISE THE OCCUM POND PARTY.**

**7. APPROVAL OF MINUTES – NOVEMBER 15, 2004**

**Approval for the Minutes of November 15, 2004 was deferred.**

**8. ADMINISTRATIVE REPORTS**

Ms. Griffin said the Selectman's next meeting is scheduled for January 3<sup>rd</sup> and then they don't meet again until January 24<sup>th</sup>. Ms. Griffin asked the Selectmen if they would be interested in moving the next meeting to January 10<sup>th</sup>. The Selectmen all agreed to move their next meeting to January 10<sup>th</sup>.

Ms. Griffin said she has received our prices for workers compensation coverage through Primex and The Local Government Center. In the past Primex has typically been the lower cost; this year, for the first time, The Local Government Center is \$3,753 lower than Primex. In order to officially shift our workers compensation coverage from Primex to The Local Government Center, Ms. Griffin needs the Selectboard to authorize a

resolution that says that it has been recommended and we have decided to move our line of business from Primex to The Local Government Center. Primex requires 45 days notice in order to do this. Our coverage starts on January 1, but we have arranged, with The Local Government Center to have our coverage with them not start until February 15<sup>th</sup>, so that we may give Primex the 45 days notice they require. Ms. Griffin asked the Selectmen if they would be comfortable in authorizing this resolution tonight so that we can communicate to Primex that The Local Government Center was the lowest bidder. Ms. Griffin said it is important to point out that this is just our workers compensation component of our health insurance. We are still taking a look at the property and liability piece. Primex is lower but we are not sure yet if they are comparable packages.

**It was MOVED by Selectman Baschnagel and SECONDED by Vice Chairman Connolly to adopt a resolution to move the Town's Workers Compensation Coverage from Primex to The Local Government Center because the cost through The Local Government Center is \$3,753 lower. THE SELECTMEN VOTED UNANIMOUSLY TO ADOPT A RESOLUTION TO MOVE THE TOWN'S WORKERS COMPENSATION COVERAGE FROM PRIMEX TO THE LOCAL GOVERNMENT CENTER BECAUSE THE COST THROUGH THE LOCAL GOVERNMENT CENTER IS \$3,753 LOWER.**

## 9. SELECTMEN'S REPORTS

### **Peter Christie**

Selectman Christie reported there has been a lot of time spent relative to affordable housing and tonight we heard the result of that.

The Finance Committee has been tracking the school budgets carefully. The last presentation was just prior to the presentation to the School Board. We are looking at a population in the Middle School and the High School to be about the same as it has been. Ray School is looking at about a 27 student reduction. The ratio between Hanover and Norwich is remaining at about 40 to 60. They were predicting that would start to shift back more to Hanover and it really hasn't. The budget this year starts to reflect some of the realities of a separate Middle School; we are picking up the original bond issue plus the supplemental bond issue. We are also looking at increased costs for State retirement. They did have some good news with medical insurance relative to increases. The increases look like they will be in the 6% range rather than double digits.

Selectman Christie said he would like to thank the Town and everyone else who was involved in today's flu shot clinic at Leverone Field House. It was well organized. Ms. Griffin said that flu shot clinic was actually a drill. While everyone was getting a shot, they were also participating in a drill. We were exercising our Small Pox plan. Several years ago towns in New Hampshire were spending time developing regional Small Pox plans because the Federal Government said we needed to. The assumption was that if we ever need to, we would have to inoculate 50,000 people. When Dr. Gougelet said we have 2,300 doses of flu vaccine, we decided to exercise our Small Pox plan. Ms. Griffin

said a lot of time went into this by the Police Department and the Fire Department; Captain Michael Hinsley and Lieutenant Michael Evans are to be thanked.

**Kate Connolly**

Vice Chairman Connolly reported the Planning Board met and passed on its first conservation lot. The large lot on Purling Brook Road was converted to a conservation lot at the last meeting. The Planning Board also passed the Farr sub-division site plan, which will create a four-unit condominium in an old barn, plus two other homes. The plan is a good one and will be an interesting reuse of that barn. The Simpson Phase II of Velvet Rocks is still on going. Mr. Halverson came in with the reconfiguration of his Buck Road project. The Planning Board is still meeting every Wednesday noon.

**Bill Baschnagel**

Selectman Baschnagel said the Planning Board approved the Tuck Dorm. We will now have two dorm complexes. This is located where old Tuck Drive comes up from Tuck Mall; that intersection will be all rebuilt. The connection between Tuck Mall and Webster Ave. will go away.

Selectman Baschnagel also reported the Conservation Commission is having some trouble with tree cutting in Mink Brook Preserve. A number of Conservation Commission members have gone down and looked at the area. This is down by the end of Maple Street. Over the course of the last two years the Conservation Commission has been paying to have the property lines surveyed and well marked, because there was some ambiguity as to where the Town line is. Several homeowners have expanded their turf down into Town property, in some cases rather extensively, with some fairly heavy clear cutting areas. The Conservation Commission, with Vicki Smith's assistance, is out putting up blue tags marking the boundaries. We have had a couple of property owners who even ignore those. The Selectmen may be hearing from the Conservation Commission with a recommendation as to how the Town should react to these situations and what might be an appropriate action to take. Chairman Walsh said that happened on Lebanon Street six years ago and there was a relatively hefty fine levied. Ms. Griffin said she is under the impression that some of these homeowners question the validity of these lines and take down the blue tags because they don't like having to look at them. Chairman Walsh said the Conservation Commission and Vicki should be armed with the facts of what happened a few years ago, so landowners know there is a precedent and that precedent costs money.

**Brian Walsh**

Chairman Walsh said he would like to make a motion relative to the request from the School Board that we appoint some people to a Playing Fields Committee. The Town has three positions, one is a public citizen and it is Chairman Walsh's understanding that we are advertising for that; the second is a member of the Parks and Recreation Commission, and the third is an ex-officio member.

**Chairman Walsh NOMINATED Mary Denko to represent the Parks and Recreation Commission on the Playing Fields Committee and Hank Tenney as an ex-officio member to the Playing Fields Committee. Selectman Christie SECONDED Chairman Walsh's nomination. THE SELECTMAN VOTED UNANIMOUSLY TO APPOINT MARY DENKO TO REPRESENT THE PARKS AND RECREATION COMMISSION ON THE PLAYING FIELDS COMMITTEE AND HANK TENNEY AS AN EX-OFFICIO MEMBER TO THE PLAYING FIELDS COMMITTEE.**

Chairman Walsh reported that the Recreation Board is focused on the Pond Party. The construction day is February 5<sup>th</sup> and the Pond Party is February 12<sup>th</sup>. The basketball tournament will follow that, during the week of school vacation.

**10. OTHER BUSINESS**

There was no Other Business.

**11. ADJOURNMENT**

**It was MOVED by Selectman Baschnagel and SECONDED by Vice Chairman Connolly to adjourn the meeting at 9:35 pm. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:35 PM.**

**SUMMARY**

- 1. It was MOVED by Selectman Baschnagel and SECONDED by Selectman Christie to adopt the renewal of a Franchise Agreement with Adelpia, subject to final review and resolution of the seven key issues, and to authorize the Town Manager to sign this agreement when those issues are resolved to her satisfaction. THE SELECTBOARD VOTED UNANIMOUSLY TO ADOPT THE RENEWAL OF A FRANCHISE AGREEMENT WITH ADELPHIA, SUBJECT TO FINAL REVIEW AND RESOLUTION OF THE SEVEN KEY ISSUES, AND TO AUTHORIZE THE TOWN MANAGER TO SIGN THIS AGREEMENT WHEN THOSE ISSUES ARE RESOLVED TO HER SATISFACTION.**
- 2. It was MOVED by Vice Chairman Connolly and SECONDED by Selectman Christie to approve proposed amendments to Ordinance Number 4, Private Construction on Class VI Highways. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE PROPOSED AMENDMENTS TO ORDINANCE NUMBER 4, PRIVATE CONSTRUCTION ON CLASS VI HIGHWAYS.**



3. It was **MOVED** by Selectman Baschnagel and **SECONDED** by Selectman Christie to approve proposed amendments to Ordinance Number 5, Seasonal Restrictions on Town Highways. **THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE PROPOSED AMENDMENTS TO ORDINANCE NUMBER 5, SEASONAL RESTRICTIONS ON TOWN HIGHWAYS.**
4. It was **MOVED** by Vice Chairman Connolly and **SECONDED** by Selectman Baschnagel to approve a Banner Request to hang over Main Street from January 28, 2005 to February 15, 2005 to advertise the Occum Pond Party. **THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE A BANNER REQUEST TO HANG OVER MAIN STREET FROM JANUARY 28, 2005 TO FEBRUARY 15, 2005 TO ADVERTISE THE OCCUM POND PARTY.**
5. It was **MOVED** by Selectman Baschnagel and **SECONDED** by Vice Chairman Connolly to adopt a resolution to move the Town's Workers Compensation Coverage from Primex to The Local Government Center because the cost through The Local Government Center is \$3,753 lower. **THE SELECTMEN VOTED UNANIMOUSLY TO ADOPT A RESOLUTION TO MOVE THE TOWN'S WORKERS COMPENSATION COVERAGE FROM PRIMEX TO THE LOCAL GOVERNMENT CENTER BECAUSE THE COST THROUGH THE LOCAL GOVERNMENT CENTER IS \$3,753 LOWER.**
6. Chairman Walsh **NOMINATED** Mary Denko to represent the Parks and Recreation Commission on the Playing Fields Committee and Hank Tenney as an ex-officio member to the Playing Fields Committee. Selectman Christie **SECONDED** Chairman Walsh's nomination. **THE SELECTMAN VOTED UNANIMOUSLY TO APPOINT MARY DENKO TO REPRESENT THE PARKS AND RECREATION COMMISSION ON THE PLAYING FIELDS COMMITTEE AND HANK TENNEY AS AN EX-OFFICIO MEMBER TO THE PLAYING FIELDS COMMITTEE.**
7. It was **MOVED** by Selectman Baschnagel and **SECONDED** by Vice Chairman Connolly to adjourn the meeting at 9:35 pm. **THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:35 PM.**

Respectfully Submitted,



Peter Christie, Selectman