

BOARD OF SELECTMEN'S MEETING

AUGUST 12, 2002

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

The meeting of the Board of Selectmen was called to order at 7:32 pm by the Chairman, Brian Walsh. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice-Chairman; Peter Christie; William "Bill" Baschnagel; Judson "Jay" Pierson; Julia Griffin, Town Manager; and members of the public.

1. PUBLIC COMMENT

There was no public comment.

2. RECOMMENDATION TO SUBMIT PETITION TO GRAFTON COUNTY SUPERIOR COURT REQUESTING AUTHORIZATION TO HOLD SPECIAL TOWN MEETING ON OCTOBER 29, 2002

Brian Walsh said there were two pieces to this agenda item. One involved petitioning the Grafton County Superior Court for permission to hold a Special Town Meeting. The other involved the creation of a working group to respond to Norwich concerns relative to the Memorandum of Understanding. The working group consisted of Hanover Selectman Peter Christie, Norwich Finance Committee member Henry Shire, and Hanover Finance Committee member John Manchester. Their goal was to respond to legitimate questions, raised by Norwich's Finance Committee and Board of Selectmen, as to whether the provision for the Town of Hanover to acquire Dresden's Lebanon Street site for \$1.00, if Dresden ceased using the site as a school site, fairly dealt with the equity Norwich has in Dresden properties.

Mr. Walsh introduced Henry Shire to present the working group's proposal. Mr. Shire said there were also two pieces to their proposal. One was defining an option price. The second was extending a credit to the Town of Hanover for its part in making the Memorandum of Understanding happen.

Option Price

Mr. Shire said the working group defined the option price in such a way that it would only be established if and when Dresden abandoned the Lebanon Street site. If Dresden did abandon the site, the option price would be established at a fair market value definition that would give effect to the use of the property as Hanover takes it back. Mr. Shire said it was highly likely that Hanover would change the use to municipal use, which was quite different than highest and best use, often used in real estate transactions. The working group suggested if Hanover did acquire the land, Hanover should keep the property in that use for a period of twenty years.

Mr. Shire said if the option price was established today, chances are it would be determined by the work of possibly three appraisers; one appointed by the Town, one appointed by the School Board and perhaps a third appointed by the Town's and School Board's appraisers. Mr. Shire said from the Dresden perspective, this price option represented more than a dollar, but the net amount paid to Dresden would have to be at least one dollar.

Credit to the Town of Hanover

Mr. Shire said the working group felt that Hanover should receive recognition, not only for its contribution of assets and dollars to the Dresden School District, but also for its part in enabling Dartmouth College to contribute as well. Mr. Shire explained, to the extent that these transactions take place, fewer tax dollars would have to be raised for the financing of construction or renovation or whatever is done.

Mr. Shire said the credit would need to be calculated at the beginning of the project when the bonds would be issued. The results of a T-Account analysis indicated that Dresden would receive three principle assets in this transaction: a stream of payments from Hanover, a stream of payments from Dartmouth, and the land on Lyme Road. Dresden would give up Thompson Terrace. A present value would have to be determined for those two streams of payments, as those dollars, at the beginning of the project, would not be worth their face value, or the gross amount that would be received. The working group believed it would be appropriate to use the bond's financing costs as the discount percentage. In other words, whatever the interest would be, at the time the financing is done, would be the percentage used to determine those present values. Currently, that interest rate would be 4.44%.

The working group felt it would be appropriate for that credit to grow because what Hanover and Dartmouth were doing was giving up the use of access forever. It was decided that the Cost of Living Index would be an appropriate measure for that growth. Because Hanover is located in a more rural part of New England, the working group thought the index that is calculated currently by the Bureau of ACRE Statistics for New England would be the appropriate index to use

Property Exchanges

The working group felt it would be appropriate to use the appraisal done recently for the Lyme Road property. The question arose as to how much of the value belongs to the acreage in front, where the school would be built. Mr. Shire said it was clear that those acres in front were worth more than the acres in the back of that property. As such, the working group assigned 80% of the value to the front acreage.

A recent appraisal has not been done for Thompson Terrace. It was currently assessed for approximately \$600,000. The working group suggested that an appraisal of some sort be conducted.

Other Transactions

Mr. Shire believed other transactions, also occurring at the beginning of project, would zero each other out. The Town would assume certain responsibilities; Dresden would assume certain responsibilities; none of which would amount to a net cost or increase in value in the interaction.

Brian Walsh asked of the Norwich Finance Committee's position on this proposal. Mr. Shire said the Committee discussed it informally at its regularly scheduled meeting and unanimously agreed with it. He added that another member of the Norwich Finance Committee would attend the Dresden School Board meeting scheduled for August 13, 2002 and state the Committee's position publicly. Mr. Walsh asked if the Norwich Financing Committee could be counted on for backing this proposal as being equitable between the towns. Mr. Shire believed that was the case.

Mr. Walsh reiterated that Norwich's equity in Dresden property had not been dealt with initially in the Memorandum of Understanding. It was very clear, after the Memorandum went public that the dollar option needed more work. The Memorandum was suppose to be something everyone could get behind; not become yet another division between the towns. Mr. Walsh said he thought Mr. Shire, Mr. Christie and Mr. Manchester had done a masterful job to solve that issue. Bill Baschnagel agreed, adding that the working group's proposal struck him as a very thorough way of addressing issues. Katherine Connolly also spoke in favor of the proposal but asked how the working group managed to devalue 40% of funds that were contributed. Mr. Shire explained the future payments promised to the Dresden School Board would not be worth their face value because they would be paid over time. A "present value" must be determined for those payments by using interest percentage. Julia Griffin said it would be a time value offset for the payments made annually over 20 years rather than paid up front. Jay Pierson asked how the fair market value would then be divided between Hanover and Norwich. Mr. Shire said the assumption was that Dresden would continue on. There was no need to proportion anything between communities as long as the District stayed together. Julia Griffin added that another assumption was that Dresden would inherit the assets, and at some point in the future, if Dresden dissolved, all of the assets would be distributed. Katherine Connolly said Dresden would always have a portion of whatever assets, wherever they existed.

Mr. Walsh said Dresden dissolution was another issued raised at the School Board meeting. Mr. Walsh said there was no anticipation in these negotiations of Dresden dissolving. The negotiations were to reinforce Dresden. This agreement would have no bearing on the valuation that would go to Hanover or Norwich in the case of dissolution in advance to this happening. If Dresden were to dissolve after the Memorandum was acted on then there would be some other asset invested.

Julia Griffin advised of an update in the Memorandum of Understanding relative to the working group's proposal. Language, worked out by the members of the working group,

was added to the end of paragraph four to read, "Should, at any point in the future, Dresden determine to relocate the high school, the entire 28 acre parcel and improvements will be made available for purchase by Hanover at the fair market value at the time of purchase based on Hanover's declared use less a credit for the future value of the tax savings generated for Dresden as a result of this proposal. In the event that the Dresden District is dissolved, this agreement would not affect the valuation of Norwich's interest in Dresden." Ms. Griffin explained, it did not describe the credit issue in detail but did replace the one-dollar option language in the original draft of the proposal.

Bill Baschnagel said the description of the process of how calculations would be done based on future things was very valuable. He asked how that process would be reserved in parallel with this agreement. Peter Christie said the detail of the process would eventually become part of the legal document in whatever agreement was signed. He added that the working group tried to find a process that was fair, as simple as possible and quantifiable.

Brian Walsh said Dartmouth had uncovered the fact that they have the right of first refusal on that portion of the middle school site, which in the 50's they gave to the Hanover School District (previously known as the old Sachem Village site).

Mr. Walsh expressed concern that someone would argue Hanover originally had a deal at a buck, now had a deal with something else at a formula value, and might question what compensation the Town received for this change. He said the dollar value was a symbolic way of assuring the Town would have a right to the Lebanon Street land. It was not done or set thinking about the equities in Dresden. Mr. Walsh said he would be very disappointed if someone decided to make this formula value versus the dollar option an issue to try to derail the Memorandum of Understanding. Henry Shire added that John Manchester was included in the working group's negotiations for precisely that reason. Mr. Manchester represented the Hanover Finance Committee and the Hanover community.

Brian Walsh MOVED to approve the proposal concerning Hanover High School and Richmond Middle School dated August 12, 2002 as amended and subject to the approval of the Dresden School Board. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE PROPOSAL CONCERNING HANOVER HIGH SCHOOL AND RICHMOND MIDDLE SCHOOL DATED AUGUST 12, 2002 AS AMENDED AND SUBJECT TO THE APPROVAL OF THE DRESDEN SCHOOL BOARD.

Mr. Walsh spoke of a conversation Town representatives had with Dartmouth representatives previously and Dartmouth's agreement to the working group's proposal and amended Memorandum of Understanding. Mr. Walsh said assuming the School Board came to a similar conclusion, the Town's next steps would be to receive community approval, relative to the Gile Tract changes and long-term financial commitments, which would require a Town Meeting in the near future. Julia Griffin

provided a copy of the draft petition that would be filed with the Grafton County Superior Court seeking permission to hold a Special Town Meeting October 29, 2002. The petition argued why this was of an "emergency nature" as defined in the Statutes. She asked the Board to take formal action to authorize the submittal of the petition. Upon Selectboard authorization, Ms. Griffin would post notices within 24 hours in the newspaper and in town. She would also notify DRA formally. She said the Town would be required to wait ten days from the date the Selectmen authorize the submittal before actually filing the petition with the Court. Ms. Griffin assumed the Court would set an expedited hearing date for the week of Labor Day. With luck, a decision could be rendered the following week, but the court action could drag on due to other court business.

Ms. Griffin said the Selectmen would have to hold a Pre-Town Meeting public hearing and a bond or note issue public hearing. Those would be done in September. The supervisors of the checklist would have to go through their legal process relative to registering voters. The Planning Board had already discussed their calendar relative to the necessary Zoning Amendments, which read as follows,

"The amendment would eliminate setback lines from Sargent Place."

"The amendment would amend the table for "OL" by adding maintenance yard as a permitted use and would add the following definition for maintenance yard, "unenclosed storage, handling and processing of construction, property maintenance, landscaping recycling or composting materials or related vehicles or equipment and of related trailers or containers together with accessory office trailers or structures provided that such entire use exclusive of access ways is fenced or screened, occupies not less than 4 acres of land is located not closer than 200 feet to any public way or residentially used property or any property in the "GR", "SR" or "RR" zoning district in existence at the time such maintenance yard is established or expanded."

Ms. Griffin explained the restrictions relative to setbacks from the "RR", "SR" and "GR" zoning districts in the second amendment were established to address concern for "OL" land on Lyme Road, acknowledging that abutting neighborhoods might be concerned about adding that definition.

Ms. Griffin said should the court decision be delayed, the Town could still hold a Special Town meeting on October 29, 2002 to address everything but the appropriation of the \$2 million in the form of the note.

Brian Walsh MOVED to submit a petition for a Special Town Meeting on October 29, 2002 and give the Town Manager and Town Counsel the latitude to make any changes that need to be made to reflect the changes in the agreement as amended this evening. Bill Baschnagel SECONDED. THE BOARD VOTED UNANIMOUSLY TO SUBMIT A PETITION FOR A SPECIAL TOWN

MEETING ON OCTOBER 29, 2002 AND GIVE THE TOWN MANAGER AND TOWN COUNSEL THE LATITUDE TO MAKE ANY CHANGES THAT NEED TO BE MADE TO REFLECT THE CHANGES IN THE AGREEMENT AS AMENDED THIS EVENING.

3. FINALIZE GOALS AND OBJECTIVES FOR FY 2002-2003

Katherine Connolly suggested amending the seventh goal under the Selectmen heading to read, "Continue to work with the Dresden School Board *and Dartmouth College* for options to site the renovation and expansion of Hanover High School on the current Lebanon Street campus." Brian Walsh suggested the wording, "Continue to work with the Dresden School Board *and Dartmouth College to effectuate the Memorandum of Understanding dated August 12, 2002.*" The Board agreed.

Bill Baschnagel questioned the second goal listed under the Selectmen's heading relative to capital needs. He thought it was the Board's intent to be working toward a capital budget or capital plan. Mr. Baschnagel believed a recently passed RSA made capital improvement plans a requirement to be able to implement any impact fee programs. Brian Walsh believed this goal was meant to be somewhat broad, stating that the taxpayers were facing other capital needs such as schools, Water Company issues and Howe Library issues. Ms. Griffin did not think it was necessary to create a more formal document knowing that it was a work in progress. Mr. Baschnagel said he wanted the goal to be more than just conscious raising and get explicit. Katherine Connolly believed there were actual liabilities associated with rigid and explicit Capital Improvement Plans to which municipalities had been held to. Mr. Walsh suggested leaving a broad view under the Selectmen's agenda and putting a more detailed view under the Administration's agenda.

Jay Pierson asked of the fourth goal under the Administration heading relative to continuing the extended Town Clerk's office hours on Wednesday evenings. Ms. Griffin said that practice was not offered in August due to staffing difficulties from vacation schedules. The issue would be discussed during a non-public session due to personnel related matters.

Katherine Connolly MOVED to approve the Goals and Objectives for FY 2002-2003 as amended. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE GOALS AND OBJECTIVES FOR FY 2002-2003 AS AMENDED.

4. UPDATE ON DRESDEN/DARTMOUTH/HANOVER AGREEMENT

Ms. Griffin said DES granted initial authorization for the Town and Dartmouth to co-locate outdoor storage at the Gile Tract with restrictions. The Town would need to develop a detailed agreement with Dartmouth outlining what uses would and would not be allowed there, presuming the Zoning Ordinance amendments passed, to be sure DES

restrictions are adhered to. The Town would also talk with the Water Company Board on Wednesday about a possible arrangement for locating a little league baseball field on the Grasse Road Water Company front lawn. The plans for the field meet the setback requirements for the Forestry Zone and the requirements set by the Little League. This would also allow the Town to leave the notion of having a field at the Gile Tract and instead have a field in the midst of a residential neighborhood that has a lot of kids in it. If the Water Company Board approves the initial site lay out, the Town would submit an application to the Planning Board to be heard in September. Bill Baschnagel suggested the Conservation Commission also review the plans relative to watershed issues. Ms. Griffin affirmed that water bodies' setbacks were adhered to and that minimal trees would be removed as proposed. The project cost was estimated at \$50,000; \$34,000 was budgeted this year, \$7,000 was budgeted the previous year. Ms. Griffin said it looked like the Town might be able to raise the remaining \$9,000. The goal would be to begin the project in late September.

Ms. Griffin was currently working on the wording for all of the Town Meeting Warrant Articles. All the different pieces of the Memorandum of Understanding would need to be approved by separate Warrant Articles in addition to the Zoning Ordinance amendments and the appropriation of the \$2 million note. Ms. Griffin would also work with Bond Counsel on the wording for the note agreement. She said as the public had become aware of a possible Town Meeting many have asked to have all sorts of other articles on the Warrant. Ms. Griffin said if the proposed article was not related to this agreement, it could not go on the Warrant for October 29, 2002. She explained the Town was required to provide the Court some sense of what articles would be tackled. The summary of those articles were highlighted in the petition. She reiterated that the only issue the Court needed to approve specifically was the appropriating Warrant Article.

Ms. Griffin said numerous agreements would have to be developed. With respect to Thompson Terrace, the Town was required to abide by Statement of Assurances that the School District agreed to when they received the property with federal funds. She had not had a chance to review the Statement of Assurances in detail but would send copies to the Selectmen shortly. The Town would either have to agree to the same statements or figure out how if at all they could be renegotiated.

Brian Walsh complimented Ms. Griffin on staff's progress on the agreement. Ms. Connolly stated she was very encouraged.

5. APPROVAL OF MINUTES: JULY 18, 2002

Katherine Connolly MOVED to approve the minutes of July 18, 2002 as amended. Bill Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF JULY 18, 2002 AS AMENDED.

6. ADMINISTRATIVE REPORTS

NHMA's Legislative Policy Conference

Julia Griffin reported of a floor amendment she had received for NHMA's Legislative Policy Conference scheduled for September 13, 2002. It had to do with the Right to Know Law.

Brian Walsh MOVED to nominate Katherine Connolly as the person who will be representing the Town of Hanover at the NHMA's Legislative Policy Conference. Bill Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO NOMINATE KATHERINE CONNOLLY AS THE PERSON WHO WILL BE REPRESENTING THE TOWN OF HANOVER AT THE NHMA'S LEGISLATIVE POLICY CONFERENCE.

Ms. Griffin said the Selectmen's September 9, 2002 meeting would include a work session on the various legislative policies up for consideration, the result of which would direct Ms. Connolly on how she should vote on the Town's behalf at the Conference. Ms. Connolly noted that she had read through the policies and found nothing there she would object to.

Town Projects

Ms. Griffin reported that the North College Street project, involving curbing, sidewalks, repaving, and the burying of utilities would be complete by Thursday, August 15, 2002.

Excavation was almost completed for the Community/Senior Center. That would be followed by the pouring of the foundation. The Town had developed an internal process with Trumbull-Nelson for project management. Don Ware, from Hanover's Public Works Department was the internal clerk. The goal was to have the project done in April 2003, weather permitting. The project was going back to the Zoning Board to appeal the issue of the Community Counselor's office that was planned for the Community Center. Bill Baschnagel asked what would become of the old Community Center building. Ms. Griffin said she had not spent a lot of time thinking through a recommended process by which the Selectmen could deliberate over the future use of the building and/or property. She said the assumption had always been that there were some limitations, in terms of what the Town could do with the property, as it was owned by the Parking Fund. The Hanover Improvement Society would love to put a pocket park there. Others would like to expand parking on that site up to the zoning line. Ms. Griffin said a shorter-term issue would be the relocation or demolition of the current Senior Center. The Selectmen would discuss this further in the fall.

Ms. Griffin said staff was busy working on the Dresden/Hanover/Dartmouth agreement and additional information would be forthcoming to the Selectmen as they progress.

7. SELECTMEN'S REPORTS

Jay Pierson

Mr. Pierson had nothing to report.

Bill Baschnagel

Mr. Baschnagel reported that he was unable to attend a recent Affordable Housing Commission meeting. He did review the meeting minutes involving the Commission's progress on their Gile Tract study.

Mr. Baschnagel reported that the Planning Board continued to review plans for Dartmouth's Dewey Field project.

Mr. Baschnagel spoke positively about the work done to the Rennie Road intersection. Brian Walsh spoke of his experience driving from the new pavement on Rennie Road to the old pavement, which made him wonder if the Town really wanted to repave the old pavement. There was a very different quality of how both sections felt. Julia Griffin said that was a point of discussion amongst the neighbors on Rennie Road; half wanted it paved, half did not. Ms. Griffin reminded the Selectmen that the repaving of the second half of Rennie Road was scheduled for the following year. Mr. Walsh said the Selectmen could discuss the issue further in the spring.

Katherine Connolly

Ms. Connolly reported of a Howe Library Board of Trustees meeting she attended where the new construction proposals and provisions to implement the new proposals were accepted. She added that the plans looked very good.

Ms. Connolly reported that the Nihonmatsu Sister City visit involving twelve students and three adults was very successful. She proposed "Tips of the Hat" to Dartmouth veteran guides, Marc Akashi '03 and Natsuko Ikeda '02, to the families who hosted students and, in particular, to Rick and Mary Ann Salvatoriello who, for many years provided service above and beyond the call of duty to the folks of Hanover's friendship city. Bill Baschnagel added that Mary Ann gave a tribute to the visiting group in Japanese at the breakfast the Salvatoriello's hosted. Mr. Baschnagel also asked to thank Willy Black for her efforts as well.

Ms. Connolly also reported of a retirement party she attended for Alan Fullington of Hanover Public Works Department.

Peter Christie

Mr. Christie did not have anything to report.

Brian Walsh

Mr. Walsh did not have anything to report.

8. OLD BUSINESS

There was no old business discussed.

9. ADJOURNMENT

Bill Baschnagel MOVED to adjourn the meeting. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 8:42 PM.

SUMMARY

- 1. Brian Walsh MOVED to approve the proposal concerning Hanover High School and Richmond Middle School dated August 12, 2002 as amended and subject to the approval of the Dresden School Board. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE PROPOSAL CONCERNING HANOVER HIGH SCHOOL AND RICHMOND MIDDLE SCHOOL DATED AUGUST 12, 2002 AS AMENDED AND SUBJECT TO THE APPROVAL OF THE DRESDEN SCHOOL BOARD.**
- 2. Brian Walsh MOVED to submit a petition for a Special Town Meeting on October 29, 2002 and give the Town Manager and Town Counsel the latitude to make any changes that need to be made to reflect the changes in the agreement as amended this evening. Bill Baschnagel SECONDED. THE BOARD VOTED UNANIMOUSLY TO SUBMIT A PETITION FOR A SPECIAL TOWN MEETING ON OCTOBER 29, 2002 AND GIVE THE TOWN MANAGER AND TOWN COUNSEL THE LATITUDE TO MAKE ANY CHANGES THAT NEED TO BE MADE TO REFLECT THE CHANGES IN THE AGREEMENT AS AMENDED THIS EVENING.**
- 3. Katherine Connolly MOVED to approve the Goals and Objectives for FY 2002-2003 as amended. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE GOALS AND OBJECTIVES FOR FY 2002-2003 AS AMENDED.**
- 4. Katherine Connolly MOVED to approve the minutes of July 18, 2002 as amended. Bill Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF JULY 18, 2002 AS AMENDED.**
- 5. Brian Walsh MOVED to nominate Katherine Connolly as the person who will be representing the Town of Hanover at the NHMA's Legislative Policy Conference.**

Bill Baschnagel SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO NOMINATE KATHERINE CONNOLLY AS THE PERSON WHO WILL BE REPRESENTING THE TOWN OF HANOVER AT THE NHMA'S LEGISLATIVE POLICY CONFERENCE.

- 6. Bill Baschnagel MOVED to adjourn the meeting. Jay Pierson SECONDED. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 8:42 PM.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. Christie".

Peter Christie, Secretary

These minutes were transcribed by Beth Rivard.