

**FINAL**

**SELECT BOARD MEETING**

**February 25, 2016**

**5:00 P.M. - MUNICIPAL OFFICE BUILDING - HANOVER, NH**

The meeting of the Select Board was called to order at 5:08 p.m. by Chair Peter Christie. Present were: Peter Christie, Chair; Athos Rassias, Vice Chair; Nancy Carter, Select Board Member; Bill Geraghty, Select Board Member; Joanna Whitcomb, Select Board Member; and Julia Griffin, Town Manager.

**1. PUBLIC COMMENT**

Chair Christie asked for Public Comment. There were no comments from the public.

**2. 2<sup>ND</sup> BUDGET HEARING:**

Chair Christie stated that tonight is the second of two meetings. He clarified his statement from last evening about the budget being largely related to commitments made on salaries and benefits. The total levy increase to the General and Fire Fund is \$435,000. Of that amount, \$379,000, or about eighty-seven percent, is attributable to salaries, wages, and benefits, clearly indicating that is the main driver of the proposed budget.

***Etna Library***

Nancy Carter introduced Barbara Prince, Librarian at the Etna Library.

Ms. Prince stated that there are no official increases to the Etna Library budget, but there is an item on the wish list to open the library on Saturdays. The original amount requested for this was \$2,500, but realizing the Town's other priorities, she has come up with an alternate plan. She stated that, at a cost of \$1,500 per year, the library could be open on Saturdays from 10am to 4pm. Currently, the Etna Library is open on Saturdays from 10am to Noon and staffed by volunteers. She is willing to adjust her hours during the week to work every other Saturday with substitutes working the other Saturdays to keep the library open from 10am to 4pm. Ms. Prince Stated that she and the trustees feel it is very important to have the library open longer on Saturdays because the current hours significantly limit peoples' ability to go there. This would also allow them to hold programs on Saturdays that people would not otherwise be able to attend.

Ms. Prince discussed some accomplishments that the Etna Library is proud of. With the Conservation Land around the library and creation of the Bird Sanctuary, they are able to have stargazing programs, nature walks, art and photography walks. They are proud of being able to extend their library programs by utilizing that space.

She stated that volunteers are the backbone of the library, working on Saturday mornings, shelving and couriering books, and raising money at pie sales. She added that they are also proud of the addition, where people can read, use their laptops, or have a meeting.

Ms. Prince invited the Board members to ask any questions they may have. There were no questions from the Board.

### ***Fire and Ambulance***

Select Board Member Carter invited Fire Chief Martin McMillan and Deputy Fire Chief Michael Hinsley to speak to the Board.

Chief McMillan introduced Deputy Fire Chief Hinsley to the Board. There are also four captains that help run the Fire Department, and three of them are in attendance tonight: Bert Hennessey, Josh Merriam, and Jeremy Thibeault. He also acknowledged Administrative Assistant Judy Stevens, who is an integral part of the department. He stated that he has been with the Town for almost two years and enjoys it very much, and is blessed to be working with such a great town and staff. He emphasized that no matter how much staff there are and how educated and talented they are, it isn't always enough, and this makes working with surrounding communities in a regionalization effort extremely important.

Chief McMillan stated that the budget process here is very sane, especially in comparison with the community he was with before coming to Hanover. The budgeting process is made much easier with the employees being in a contract, and therefore knowing what will be spent on personnel costs.

There has been a large focus on replacement of basic fundamental equipment since his arrival and they are now where they need to be. He thanked Ms. Griffin and Ms. McClain for their support in making this happen. He is focusing now on education and training efforts, as well as the structure of the Fire Station, which is in need of some care.

There had been some issues with the ambulance services in other towns, so Hanover came to an agreement with the Town of Hartford to provide those services for a fee, which has put Hartford in a better situation and increases revenues for Hanover.

As part of regionalization efforts, the Fire Department has worked with our mutual aid towns in evaluating equipment needs, i.e. it doesn't make sense for communities within mutual aid to purchase specialized equipment that another town already has.

Through union efforts, there are four groups of firefighters that are now all working the same, consistent schedules, with the exception of occasional overtime.

The Fire Department Chiefs in Lebanon, Norwich, Hartford, and Hanover all communicate with one another when one will be out of town and can help cover each other's' districts.

Chair Christie pointed out to the audience that regionalization efforts in the fire world can be very difficult, but Hanover has done very well and it is appreciated. Chief McMillan thanked Chair Christie for acknowledging this.

Another partnership is with the Upper Valley Wilderness Search and Rescue group, as well as with NH Fish and Game. The Hanover Fire Department has helped them with their needs for space in exchange for sharing their expertise.

Chief McMillan stated that his concern with the budget is the lack of depth for the Fire Fund. He does not feel that this would be the time to do it, but would like to get a discussion started on whether it would be appropriate to dissolve the Fire Fund at some point in time. He feels that being part of the General Fund would make more sense.

Chief McMillan shared some information with the Board from a manually-created spreadsheet, which he distributed to each Board member. This spreadsheet shows more specifically how money is spent on personnel costs. He pointed out that this is information we cannot get from reports with any software the Town currently has, and therefore needs to be generated by manually entering numbers into a spreadsheet. This is time-consuming, and is information that we would be able to access with appropriate software. He is hoping this can be addressed. He also distributed a spreadsheet to show the Board where the department stands in funding capital improvements. He noted that capital improvements are not fully-funded, though he makes sure to recognize that those needed improvements exist.

Chief McMillan clarified for Select Board Member Carter the meanings of the line items in the budget for suppression and for prevention. He stated that the suppression item is the operational side, and the prevention side is what Deputy Chief Hinsley does, and is related to fire inspections and prevention. Half of his salary is paid through the General Fund to take on duties that were previously held by the part-time Buildings Inspector, who is now gone.

Chief McMillan invited the Board to ask any questions they may have.

Select Board Member Carter noted that she asked Chief McMillan to differentiate between the prevention and suppression line items because the part-time salaries for prevention increased by 85.3 percent. This represents the portion of Deputy Chief Hinsley's salary that is paid through the Fire Fund. The Town has been requiring landlords to register their units so we are more aware of making sure residents are protected. We also want to make sure that fire inspections coincide with building inspections so potential issues can be addressed up-front rather than having to address situations after the fact. Chief McMillan stated that by having a full staff, he is able to encourage growth of employees, allowing for them to step up when there are absences. Select Board Member Carter stated that this is why being fully staffed is important. This is in contrast with the Police Department, which is quite understaffed.

### ***Parks and Recreation***

Select Board Member Geraghty welcomed Parks and Recreation Director John Sherman and stated that this is Mr. Sherman's first year being involved with the budget.

Mr. Sherman introduced Assistant Director Liz Burdette and Out of School Time Program Director Nicole Leonard to the Board.

Mr. Sherman stated that the summer and mini-camp programs have been very successful, both being filled to capacity and holding waiting lists. Adult enrichment and adult fitness classes are both very strong.

Challenges include a twenty-three percent reduction in youth sport participation since 2013. This is a national trend they are looking to address. Select Board Member Geraghty asked which sports in particular are being affected by reduced participation. Mr. Sherman stated that football is the biggest factor. When he started here in the fall, the football program had already been canceled due to lack of participation, and he is currently working with Hanover High School and local football associations to come up with ideas of promoting football and figuring out what the next steps are. They are trying to keep interest in football alive by getting 7<sup>th</sup> and 8<sup>th</sup> graders involved in helping out during games. In their spring brochure, they will be asking about interest in football programs in the fall to gauge what the interest is going forward.

Mr. Sherman added that the popularity of the after school and summer camp programs creates a challenge for the Parks and Recreation Department because they are unable to expand the programs due to lack of space. They are currently using the available spaces in the school to capacity. There is an average of about 100 kids daily in the after-school program. During school vacation periods, they must reduce attendance to forty kids, as they lose access to school space. Select Board Member Whitcomb asked why the schools cannot accommodate during vacation weeks. Ms. Griffin stated that the school is very strict about not allowing access when school is closed for vacations, and that the issue is that our schools don't view themselves as community centers. Select Board Member Whitcomb stated that this is an issue we need to work on. Ms. Griffin stated that within the last couple of years, she attended a meeting of parents at the Ray School that were on a waiting list for the after school program, and the parents were angry and demanding that Town expand the program to accommodate the need. Select Board Member Whitcomb replied that those parents should be attending School Board meetings and addressing these concerns to the Superintendent. Ms. Griffin agreed. Mr. Sherman said that they are expanding their Camp Quest program, which is very much field-trip based, to accommodate some of that unmet need toward the end of the summer.

They are also looking at ways to reorganize youth sports to stay current with nationwide trends. He added that a lot of young athletes tend to specialize in a particular sport and stick with it throughout the school year, rather than participating in multiple sports throughout the school year.

Mr. Sherman stated that he and Ms. Burdette have been working on a Community Needs Assessment so the community can let them know what they value in recreational programming. That data will be crucial in moving the department forward. They are planning on the assessment coming out in the next two-to-three weeks. Ms. Griffin pointed out that Parks and Recreation have been working with a Dartmouth consulting group on this effort. Mr. Sherman stated that they have been excellent to work with.

Select Board Member Carter wished to point out that the Parks and Recreation Department is in a unique position to do two things: reflect the community's needs, but also encourage the community to try different things or a variety of things, particularly when they are working with such a young group. Mr. Sherman agreed and stated that the assessment will hopefully put the community into that mindset.

Select Board Member Geraghty, liaison to the Parks and Recreation Board, stated that he has learned a lot from attending meetings, particularly that the focus is on recreation, meaning participation and learning. Our town is different than many others in that our youth have the opportunity to participate in sports through the Parks and Recreation Department, not just through the schools, which involves a tryout and selection process. The space limitation is a problem, and the assessment is a great way for the community to step up and drive future decisions.

Mr. Sherman added that coordination of youth sports is a huge undertaking, and he and Ms. Burdette split those duties. It is almost a full-time position to keep up with scheduling and rescheduling, and setting up teams.

Ms. Griffin stated that the Recreation Department runs into pressure to generate teams that cultivate students for the high school athletic programs—we are a recreation department, not a school athletic department. Mr. Sherman added that a real challenge is that our philosophy and emphasis is on fun and exercise, which differs from school athletic programs' idea of being competitive with surrounding communities. Select Board Member Whitcomb asked if the upcoming survey poses the question to the community on whether they would like to change how sports are handled for middle schoolers, as she understands many people feel that 7<sup>th</sup> and 8<sup>th</sup> grade sports should be handled by the school, not the Parks and Recreation Department. Mr. Sherman responded that the survey focuses more on needs, rather than evaluation, which would require a different type of survey.

Ms. Griffin noted that Mr. Sherman is also involved in the planning for the potential second ice-skating rink at Champion Arena. That project is being fostered by a different group, but the Town of Hanover owns the land beneath the rink. She wanted to be sure Mr. Sherman is involved in the committee pursuing the viability of the second rink. One reason is to make sure our access to Sachem Field, parking, and other related components are kept in mind, and to emphasize to that committee that if the plan moves forward, the rink is to be open to other recreation such as ice skating, not just hockey. We want to represent the community need for such opportunities. Mr. Sherman replied that the committee meets twice a month and is very cognizant of our wishes. Draft plans have been revised a number of times to meet those needs. Ms. Griffin clarified that the second ice arena would be dependent upon community fundraising.

The Board thanked Mr. Sherman and his staff for their discussion.

### ***Public Works***

Select Board Member Whitcomb invited the Public Works Department to speak to the Board about its proposed budget.

Director of Public Works, Peter Kulbacki, stated that their budget is one of the few that isn't driven mainly by payroll.

There are some major projects upcoming, some of them privately-funded, such as the Gile Hill Sidewalk, which will run from Buck Road to Greensboro Road.

Mr. Kulbacki stated that recycling is an issue in this year's budget, as we are facing a large increase in our recycling contract. We need to evaluate whether to continue with that program or do the recycling in-house. He pointed out that if we were to do recycling in-house, now would be the time because the markets are currently at the lowest, meaning revenues would increase going forward.

On the positive side, fuel and energy prices have gone down. We are currently part of the New England Power Pool, and intend to continue that contract as it reduces our energy costs in the wintertime. Being part of the Power Pool makes it much easier to predict when there will be a significant increase in electricity costs, and we would be able to default to Liberty Utilities' rates if that were to happen.

Accomplishments include construction of the Multi-Use Path (MUP) on Lyme Road. There is some more work that needs to be done this spring, including tree planting between the path and roadway, as well as more signage. Mr. Kulbacki stated that they expected input from the community that would affect some portions of the project, so those items had been put on-hold to get a better sense of how to proceed.

Another accomplishment is the completion of the Mobility Hub on East Wheelock Street. He added that our federal funds for the project ran out on September 30<sup>th</sup>, and we completed it the same day. There are still some bugs that need to be worked on, but we've heard good feedback. Ms. Griffin noted that the shelter itself is not heated, but the seats are.

Mr. Kulbacki stated that we have also completed construction of the new winter maintenance materials storage facility, which can hold two-thirds of the salt we typically use in a year. Having this increased space allows for us to purchase higher quantities of salt at reduced costs.

The Public Works Department has started using brine to pre-treat roads this winter. Roads have always been pretreated before storms, but brine is more effective in creating a barrier between the road and ice, keeping it from adhering to the road. Using brine reduces the salt usage overall, which is a cost savings. In addition, brine can be applied farther in advance of a storm as it will adhere to the road for longer. Chair Christie noted that there have been several inquiries about the use of brine, and some residents have expressed concern that we may be using a chemical that may not be environmentally friendly. Mr. Kulbacki stated that the solution is made up of the same salt and is from the same stockpile that we use to treat roads. Chair Christie asked how far ahead of a storm the brine could be applied. Mr. Kulbacki said that it can be applied two days ahead-of-time. This allows for more flexible scheduling of pretreating the roads. This has also reduced the amount of salt used to pretreat roads by eighty percent. Chair Christie asked how much salt is used to pretreat using brine versus rock salt. Michael Chase, Operations Manager at Public Works, stated that it takes eighty pounds of salt to treat one lane mile using brine, versus 500 pounds when using just salt.

Mr. Kulbacki stated that a concern is with our current Sicard snow blower, which is fifty-years old. It has been rebuilt many times, and parts are now difficult to find and can take weeks to be delivered. The fuel filter must also be changed every time it is used. This type of equipment is essential to have whenever there is a snowstorm totaling three or more inches so that snow can be removed from the downtown area. Without it, available parking would be cut in half for most of the winter season.

Another worry is having enough time to do special projects. Repair of a bridge on Ruddsboro Road needs to be done this year, which was supposed to have been done last year but was delayed due to the length of time it took in getting the wetlands permit from DES. There is also work that needs to be done at Wilson's Landing, which also involves a wetlands permit. Construction of the sidewalk on Route 120 is also scheduled for this year. There are several other projects that need to be done, and a lot of projects depend on the weather.

Select Board Member Carter asked Mr. Kulbacki about repair of the Ruddsboro Road bridge, as she understands it was damaged by a State plow. Mr. Kulbacki clarified that it was a bridge on Great Hollow Road that was damaged by a State plow. Great Hollow Road is a State road, but the Town of Hanover owns the bridge that was damaged. Select Board Member Carter asked why we wouldn't hold the State responsible for repairs. Ms. Griffin and Mr. Kulbacki both replied that it is extremely difficult to get the State to do so, and that we would spend more money and time trying to get that to happen than it would take to fix ourselves. Chair Christie asked if the jersey barriers would be removed as part of the repair. Mr. Kulbacki confirmed that they would be removed. Vice Chair Rassias asked whether we are required to restore the bridge to its original specifications since it is an historic bridge. Mr. Kulbacki stated that this will only be an interim repair, and that we would be tearing down the side walls. This won't solve the long term problem, which is that the bridge is made of stone and mortar and is infiltrated by the salt used by the State to treat the roads. That salt leaches out the mortar and the stone falls. There is a longer-term plan worked into the Capital Improvement plan to dig down to the arch and seal it, then build the bridge back up.

Mr. Kulbacki also stated that, though there are no scheduled retirements this year, he does expect some integral staff to be retiring at some point, and he worries about how he will fill those roles and wants to be able to plan ahead for that.

Select Board Member Whitcomb asked about the increase in the line item for sidewalks. She realizes the new MUP on Lyme Road is wider than the one it replaced, but understands that it is wide enough that it can be plowed with a pickup. Mr. Kulbacki stated that the line item she is referring to is largely related to sidewalk repairs, though there is some increase in sidewalk maintenance costs for the MUP.

Select Board Member Geraghty inquired about why the cost for asphalt has not decreased. He noted that in previous years, the price of asphalt went up because of increasing fuel costs. Now that fuel costs have gone down, why have asphalt prices not gone down? Mr. Kulbacki stated that one reason the price hasn't gone down is that demand has gone up, largely because the State is now doing more paving projects. Another reason is that the asphalt companies are simply not reducing the cost, no matter how hard we try to get it reduced.

### *Capital Improvement Projects*

Mr. Kulbacki stated that planning for Capital Improvement Projects can sometimes be difficult as additional projects are brought forward. There needs to be a process on deciding whether to add certain projects to the plan and letting the Board decide whether such projects are proper uses of funds.

Select Board Member Geraghty noted that the Capital Improvement Plan included in the proposed budget shows expenses through year 2021, and asked Mr. Kulbacki whether those numbers included amounts for expected inflation. Mr. Kulbacki stated that they are not, since it is difficult to predict inflation amounts, but the equipment and infrastructure items are re-evaluated each year to determine whether the allocated amount is appropriate and whether the year it is scheduled for is reasonable. They find that some projects and equipment can be put off for another year, and those adjustments are made accordingly. Amounts presented are based on today's prices. Ms. Griffin added that the Capital Improvement Plan goes out ten years, but the budget book shows plans for the next five years. We can get a decent sense on numbers for that time period, and we are very fortunate to have talented staff that can handle much of these projects, which saves money.

Janice Starkey and Rick Colt, who both live in the Sand Hill neighborhood, wished to thank the Board for considering the proposed sidewalk project for that area as part of Capital Improvement Projects. Area residents spoke to the Board about this request at the meeting on December 7<sup>th</sup>.

Ms. Griffin clarified that the Gile Hill section of sidewalk is planned to be constructed this summer, with the section of sidewalk between there and Storrs Road is planned for next summer. This is all contingent upon approval by the Board of the proposed budget.

Peter Clark introduced himself to the Board and stated that he is a Board member of the Gile Hill Condominium Owner's Association, and has been helping the Hanover Bike and Pedestrian Committee as part of the Route 120 subcommittee. On behalf of the Association, he wished to thank the Board for making the sidewalk from Buck Road to Greensboro Road a reality. This is important for both the Gile Hill community and Dartmouth-Hitchcock. He stated that the sidewalk is one of the final pieces to the puzzle of finishing Gile Hill. The concern by the Association's Board is that the sidewalk construction is not financially secured. They were pleased to see that the estimate for construction of the sidewalk decreased from \$80,000 to \$60,000, but want to be confident that this is a secured price, and if the Town would be looking to Twin Pines Housing Trust to make up the difference if that cost does increase. Mr. Kulbacki stated that the Planning Board required that a sidewalk be built from Greensboro Road to Buck Road as part of the Gile Hill project. He stated that the labor and equipment costs are fixed, but any items that have to be contracted, such as paving, could be variable. The original commitment by Gile Hill was for \$93,000, and the \$60,000 estimate is well under that.

Barbara McIlroy of the Bike and Pedestrian Committee stated that the Committee is thrilled to see pieces of proposed sidewalks being planned for, and asked if it were possible to have bicycle detection added at the Greensboro Road intersection in conjunction with this project. Mr. Kulbacki stated that there are simply no funds to do this, and, in addition, that signal does not belong to us—it belongs to the State. Ms. McIlroy asked if we could work with the State to



make this happen, and Mr. Kulbacki stated that we could try, but it is not very likely we will succeed in doing so. Ms. Griffin stated that she recently met with Tom Goins, the new Vice President of Facilities at DHMC, and she spoke specifically with him about our desire to complete the connection from the Tanzi Tract to Greensboro Road and from Buck Road to Medical Center Drive North, and that we could use the hospital's financial support to make that happen. Mr. Goins stated that he was looking forward to working with us to see about helping financially.

Vice Chair Rassias wished to point out that though Ms. McIlroy is the only member of the Bike and Pedestrian Committee that doesn't ride a bicycle, she has taken an incredible lead on the pedestrian side.

### *Town Properties*

Mr. Kulbacki stated that there are no major projects this year, but there are a few minor projects including replacement of a boiler at the Police Department and some changes with the air conditioning system at Town Hall. We are essentially in maintenance mode.

We have seen savings in fuel and electricity costs, which is positive.

Vice Chair Rassias asked about the LED street lights in Etna and on North Park Street and why those lights cannot be extended to the rest of Town. Mr. Kulbacki stated that the LEDs were used as an experiment by Liberty Utilities, but we have been urging them to expand them throughout the community. Part of the process with the Public Utilities Commission is that you have to have a rate or tariff for LEDs, which Liberty Utilities does not have, so they need to go through that process. This is something we will continue to push. Ms. Griffin added that she has discussed with staff at NH Community Development Finance last week, who invest in the energy efficiency field. They have a new program that allows communities to borrow funds from them at a low-interest rate to replace all streetlights with LED fixtures at once. She has asked them to send her more information. She would like to approach Liberty Utilities about doing this as a pilot using the loan to replace all of the streetlights.

Vice Chair Rassias noted that we have been investing \$50,000 a year for energy-efficiency upgrades, and this year's upgrades are planned for Town Hall, the Howe Library, and the Police Department. We had a presentation a couple of years ago about the savings impacts from these projects, and we should do this again soon. Ms. Griffin stated that she intends to work on this with Facilities Superintendent Ross Farnsworth once we are through with budget discussions. Mr. Kulbacki added that we have done many smaller projects, and what remains are mostly larger projects. Some work needs to be done to figure out how to fund for these larger projects.

Vice Chair Rassias stated that fuel oil used has gone down by about half from six years ago, and asked whether this is a result of using methane as fuel at the Water Treatment Facility. Mr. Kulbacki stated that this is a large factor in the reduction of fuel oil consumption.

Ms. Griffin asked Mr. Farnsworth to speak about the Fire Department as it has some significant structural challenges. Mr. Farnsworth stated that fiberglass installed in the building when it was

built has fallen, and therefore the building has lost its ability to keep heat in. This has caused pipes to freeze and the building is cold. He has consulted with Chey Insulation about what to do, and they suggested putting in spray-foam insulation from the outside-in, which means taking the metal siding off the building. He has been unable to find any contractor willing to take off the siding and put it back on after the insulation is put in, so we are looking at doing it ourselves in sections. At the same time, the windows are very small, so it makes sense to replace them with larger windows while the siding is down. Select Board Member Carter asked if it was possible that when taking the siding down, they could find that it isn't durable enough to be put back on and therefore would also need to be replaced. Mr. Farnsworth stated that this is not likely as the siding is metal and very durable. Ms. Griffin stated that the Fire Department personnel are eager to assist in removing and replacing the siding when they are not on calls. Mr. Farnsworth added that the Fire Department is always willing to help out the Facilities Department. He used an example of an ice jam on the roof of the Howe Library last winter, and when he called the Fire Department they were there to help right away.

### ***Water Reclamation – Sewer Fund***

Mr. Kulbacki stated that the Water Reclamation Fund, like the Public Works budget, is not driven mainly by personnel costs. 20.6 percent is personnel-related and the rest is related to debt service and taking care of the facility and infrastructure.

We just received our discharge permit from DES effective February 1<sup>st</sup>, which increased our testing levels for nitrogen, phosphorus, and aluminum. Typically when DES increases levels, it is an indicator of what you will be dealing with when it is time for the next renewal. We expect to see a nitrogen limit, which will drive major discussions about potential plant upgrades. Another indication of what we will face can be observed as we see other communities get their permit renewals.

Budget drivers relate to flow—whatever we receive has to be treated. Even though we have seen water flow go down, wastewater has gone up because we take some flow from Lebanon, and their construction is always growing. We have placed a limited capacity on discharge from Lebanon, and Mr. Kulbacki believes they will utilize all of it. He expects that in a few years, they will be asking for an increase, at which point we will have to consider whether to continue, accepting their discharge as we would then be facing major infrastructure improvements.

An accomplishment is that all projects have been completed.

Water Reclamation has started the CMOM program, Capacity Management, Operation & Maintenance. This program has been in place informally for years, but the CMOM is a more official outline of our infrastructure and how we maintain it.

A lot of mapping of pipes and manholes and other structures has been done. There is more collection to do, but opportunities are taken when there are major projects to map that information as things are put into place.

There is money in the proposed budget to do a study of the Girl Brook part of the sewer collection system. Flows there account for about a third of our total flow.

Select Board Member Carter asked what kind of notification we need to provide to the City of Lebanon if we decide we can no longer take their flow. Mr. Kulbacki stated that we need to give them five years. Select Board Member Carter asked if we would require a reduction in flow yearly over that period of time. Mr. Kulbacki stated that once Lebanon reaches eighty percent of the capacity they are allowed, they must show that they are either reducing their flow or looking for a way to take the flow to their own facility.

Vice Chair Rassias pointed out that the reason we currently collect part of Lebanon's discharge is due to geography and gravity.

He also inquired about projects for Water and Water Reclamation and how those projects should impact user fees. Ms. Griffin stated that there was a discussion about reserving for future replacement of the water distribution lines, and Town staff will be proposing increases in both water and sewer rates in June. This relates to reduced flows but costs not being reduced. Compared to neighboring communities, our rates are low. We would still be significantly below comparable communities if we raised the rates anywhere between five and eight percent.

Mr. Kulbacki stated that the sewer fee structure is different than the water fee structure. The sewer fees are based on higher base charges, so the Water Reclamation Fund is not as affected by reduced flows as the Water Department is. If the rate structures were comparable, there would be a tremendous difference in revenues generated. Select Board Member Whitcomb asked why we don't use the same kind of fee structures for water as we do for sewer if the sewer fee structure fares better for us. Mr. Kulbacki stated that we do want to change it, but want to change it fairly and make sure it represents real costs.

### ***Water Utility Fund***

Mr. Kulbacki stated that a major driver of the Water Utility Fund Budget is related to the age of the distribution system. More than seventy percent of the distribution system is over eighty years old. The average life of a cast iron pipe is fifty years. Staff have been working on a process to narrow down which areas of the distribution system need to be replaced and how to work that into the Capital Improvement Plan. For the most part, the secondary distribution lines are the problem, not the mains. \$50,000 has been budgeted each year to address the worst areas. This work is done by Town staff and equipment.

The Water Utility Fund had three debts, but one of them was paid off this year. The other two pieces are for the lines that were put in in 2000, and for the treatment plant upgrade in 2006. When those bonds are paid off, the larger projects can be looked at.

Vice Chair Rassias asked about the amount being put into Capital Reserves for the distribution system. Mr. Kulbacki replied that that amount is largely related to treatment plant equipment.

Ms. Griffin added that the College is potentially looking at a district hot water heating project, and if that happens, there may be savings to the Town if lines are upgraded at the same time. Mr. Kulbacki stated that there are definite areas in which we would benefit. He added that the Public Works Department factors in projects like this when it comes to paving.

Mr. Kulbacki stated that major changes this past year include the joint purchase of a backhoe between Water and Line Maintenance and elimination of contracted services for Water Department projects and repairs that can now be done in-house.

Accomplishments include keeping things stable and a decrease in water main breaks, which is largely related to the mild winter, as well as meeting lead and copper testing rules, which used to be difficult for us.

The Board thanked Mr. Kulbacki for discussing his various department budgets with the Board.

Ms. Griffin noted that there had been some questions about Advance Transit funding levels, so she distributed some information provided by Advance Transit about the Green Route Expansion for the Board.

Ms. Griffin will email information to the Board about the Howe Library's user fees history, which the Board had questions on at last night's meeting. She will also send the report related to the decision to raise fees every two years.

Chair Christie stated that we expect significant undesignated reserves coming in from this fiscal year, so we want to be sure to take a good look at the proposed budget to see what might be appropriate based on our guidelines. Ms. Griffin added that she asked Peter Kulbacki and Michael Chase earlier today about projected savings in the winter maintenance budget, so they will look to see what those savings are. Ms. McClain noted that the Hanover Finance Committee has talked about the possibility of using the Undesignated Fund Balance (UDFB) to fund large energy-efficiency projects, such as the solar array on the Winter Maintenance Materials Storage Facility that was touched upon earlier this evening. Chair Christie stated that he has thought some more about that idea and feels that it is not the intent of the UDFB. He understands the desire of some to keep that fund low, but that is not the desire of the Board.

The budget hearing will continue on Monday, February 29 at 5:00 PM.

**3. APPROVAL OF MINUTES:  
a. February 8, 2016**

**Select Board Member Geraghty MOVED to Approve the Minutes of February 8, 2016.  
Select Board Member Carter SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF  
FEBRUARY 8, 2016.**

**4. ADMINISTRATIVE REPORTS**

There were no administrative reports.

**5. SELECT BOARD MEMBER REPORTS**

There were no Select Board Member Reports.

**6. OTHER BUSINESS**

No other business was discussed.

**7. ADJOURNMENT**

**Select Board Vice Chair Rassias MOVED to Adjourn the Meeting at 7:19 p.m. Select Board Member Whitcomb SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING.**

Respectfully Submitted,

Joanna Whitcomb, Secretary

*Minutes prepared by Adriane Coutermarsh.*

**SUMMARY**

- 1. Select Board Member Geraghty MOVED to Approve the Minutes of February 8, 2016. Select Board Member Carter SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF FEBRUARY 8, 2016.**

- 2. Select Board Vice Chair Rassias MOVED to Adjourn the Meeting at 7:19 p.m. Select Board Member Whitcomb SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING.**