

Town of Sullivan, NH
Budget Committee
Approved Meeting Minutes, January 19, 2021
Sullivan Town Hall

Board members present: Al Merrifield, Chairman, John Bolles, Gary Patnode, William Thorndike, Mike Blanchard, BJ Wahl (remote)

Representatives: Paul Bolduc, Selectmen

Others: Todd Smith, Marsha Cook, Tom Scherpa, Jim Casey

Alfred Merrifield called the meeting to order at 6:00 PM. On a motion by Chairman Merrifield, seconded by John Bolles, the minutes of December 29, 2020 and January 12, 2021 were approved as written

Marsha Cook noted that budget handouts this evening reflect corrections only; the budget bottom line has not changed.

BUDGETS

Highway Operating Budget : \$294,333.55 (+ 5458.55) Todd Smith

Wages, insurance, taxes are prepared through the Selectmen's Office.

The overall operating budget reflects little change from 2020. Contract services will fund tree work that was not completed in 2020; Todd is also recommending excavation work be done on a number of ditch areas (Cross Road, Valley Road etc.) where ledge impedes the flow of water. John Bolles suggested adding the town line corner of South Road to that list; Todd has already included that area.

Building Maintenance: increased \$2000 for the replacement of one of two propane heaters used in the garage bays.

Training: Covid-19 did not allow travel for training in 2020; the budget is in place in the event on-site training becomes available in 2021.

Vehicle Repair: Chairman Merrifield questioned the overage for 2020; Todd explained the unforeseen replacement of the axle and hub on the backhoe, a \$12,000+ expense.

Culverts: (-\$1000): Todd has some culverts in inventory; 2021 work will require culvert purchases and permit fees.

Sand: Currently supplied by Henniker sand and gravel at a competitive price; the quality of sand is high and does not freeze one roads as lesser quality sand can.

New Equipment: \$4300 for a York rake that will allow highway department to work on Sullivan's smaller-width roads and difficult areas. \$2200 for a "hot-box" and materials for producing hot patch as needed rather than bidding these jobs out. Roads can be sealed as cracks appear rather than waiting for a job large enough for a contractor to bid.

Will Thorndike questioned the discrepancy between 2021 budget requests for Contracted Services and Road Patch versus the actual 2020 expenditures; Todd explained that the Road Patch line was underspent

to compensate for the repair to the backhoe. 2020 expenditures does not reflect what actual expenditures should have been.

The challenge in spending Contract Services appropriation was timing; we did award a bid for road patch in 2020; when the job was to be done, the contractor did not respond to emails or telephone calls and it was too late in the year to rebid the job. Hence this line was also used to offset a portion of the backhoe repair.

Highway Special Projects: \$175,000 (+175,000): Special Projects not funded in 2020; Capital Reserve for Reclamation and Rebuilding was used for Apple Hill rebuild.

2021 Special Projects funding will be used to surface the reclaimed portion of Gilsum Road, to surface an area 300' to the Gilsum town line in order to provide a turnaround for plow and work vehicles and overlay the area where pavement now ends to Boynton Road. The first two areas will require \$91,800 +/- for pavement and shouldering; overlay is estimated at \$78,000 +/- . The wildcard will be petroleum pricing at the time of bidding; the priorities will be the reclaimed road and turnaround. State funding may aid in this project.

Highway Capital Reserves:

Highway Major Equipment: \$20,000 This is a forward-looking investment for future major equipment needs. Todd does not see purchases in the immediate future.

Reclamation and Reconstruction: \$5,000

Town Bridges: \$5,000

Selectmen : \$206,644.21 (-\$1300)

Wages:

- Selectmen recommend a 1.03% COL increase (not merit-based) for hourly and salaried employees;
- Selectmen recommend nominal increases for elected/appointed officials' stipends. Chairman Merrifield asked when stipend changes were last made; Marsha noted that these have not been looked at for at least 7 years.
- Selectmen recommend the hiring of a new position for visiting construction sites, overseeing on-the-ground activities (eg., driveways, septic installs, setback questions, other). This is not an inspector's position. Previously, some Selectmen were able to do this; the current Board does not have the time or flexibility and future Boards may have the same difficulty. Initial funding is estimated to be 5 hours weekly, @ \$12.40/hr. (\$3224 annually).

Gary Patnode: Are Selectmen looking for a Code Enforcement Officer; Marsha: That this is observational, generalist, not to pass judgement or enforce regulations, more to keep Selectmen apprised of ongoing activities.

Election & Registration: \$1744

- Decrease in request reflects fewer elections in 2021.

Financial: \$40,280 (-\$1125)

Annual Assessing Services: \$8808 (+312)

- Contracted services – Avitar

Legal and Audit: \$21,350 (no change)

- Underspent in 2020; Selectmen anticipate 2021 costs to include local and utility suits.

Personnel: \$7838 (-\$338)

- Unemployment Comp, Worker's Comp and Social Security and Medicare Taxes

Building Maintenance: (\$14100)

- Building Maintenance & Repair Selectmen's Recommended to be adjusted to \$9500

Insurance: \$12,318

- Contracted services – Primex

Ambulance: \$10311.30

- Contracted services – DiLuzio

Fire Mutual Aid: \$10,900

- Contracted services – Keene Mutual Aid

Health Agencies: 6107.00

-Donations made to local agencies with documented service to Sullivan residents

Welfare: Direct and Vendor \$4,000

Police Services: \$45045

- Contracted services – Cheshire County Sheriff

Bond Presentation: Sullivan Broadband Advisory Committee
Tom Scherpa, James Casey, Treasurer

This presentation was an update on the status of work done by the Sullivan Broadband Advisory Committee to implement expanded broadband service to the resident of Sullivan.

After taking bids and analyzing the results, FiberCast LLC has been chosen to provide infrastructure for expanded broadband. They will run wires (fiber) throughout the town and will ultimately run and maintain the network with a 20-year contract. Anyone in town who wants the service will contract with FiberCast at one of 4 rates/speed (each of which which include the estimated \$8 FiberCast surcharge); there will be web/telephone bundles available as well. CCI will keep current DSL and telephone lines in place as well. Tom has just received the FiberCast contract for committee and legal review.

Sullivan/FiberCast are following the "Chesterfield" model of funding, a private/public partnership. The Town will apply for the bond; the contract with the provider stipulates that the provider will pay the Town the amount of monthly bond payments, which the Town then pays to the bondholder. This pass-through ensures that the bond has no impact on the Town's tax rate.

Chairman Merrifield: What happens if Sullivan does not provide enough subscribers?

Tom Scherpa: This is a business risk to FiberCast, not the Town. The provider pays the bond cost regardless of the number of subscribers.

The Selectmen, Broadband Committee and the bond lawyer are in the process of reviewing the bond application and the contract as well as initiating conversation with the NH Bond Bank. The application is due by May; bonds are awarded in July and funding is available in August. Next steps are:

- Warrant to Town Meeting
- Vote to authorize Selectmen to sign the contract
- Finalize bond application

Chairman Merrifield: Will FiberCast will do all maintenance?

Tom Scherpa: Absolutely, they own the network, it is their responsibility.

Should FiberCast be sold, the obligation to pay the bond transfers to the new owner. The biggest concern is bankruptcy; should that happen, the Town acquires the network and the infrastructure and solicit bids for a new provider who would then take on the bond. Jim Casey added that in the case of a bankruptcy, the Town's worst case exposure is \$32,000/year if we do not find a provider to take on the network.

Chairman Merrifield: asked What is the anticipated construction time?

Tom Scherpa: There will be two phases: 1) areas with already acquired pole licenses – later this year; 2) areas with pole licenses to be acquired or put in place – early 2022.

John Bolles: Is it practical to get an insurance policy to protect the Town in the event of bankruptcy?

Jim Casey: Has been working on exactly this; is not finding any commercial underwriters for this type of policy; will also talk with Town's insurer.

Gary Patnode: If the Town should become liable for the bond, what about people who don't buy in to the program? Will they be willing to pay for this?

Jim Casey: Consider this comparable to electricity coming to Sullivan in the 40's; there were many people who did not care for or want this service, but it was passed for the good of the future of the Town. This will ensure that Sullivan can provide competitive support to its students, its workers and its residents. It will also have an effect on the appraised market values (not the assessed values) of the Town and make Sullivan a more attractive housing market than it will be without this Service.

Chairman Merrifield: Is there an opportunity for CARES funding?

Tom Sherpa: The provider will apply for any funding that becomes available – they are already in touch with the state. The bond cost to the Town would be reduced by an CARES funding. However, it is better to move forward without the anticipation of these funds.

Marsha Cook: The Town is not currently liable for any costs until the contract is signed. The lawyer's fees roll into the bond and the Selectmen are doing everything to protect the Town. We can walk away at any time.

Gary Patnode: Asked Tom Scherpa to state for the record that he is in no way affiliated with FiberCast;

Tom Scherpa: I am in no way affiliated with FiberCast.

Chairman Merrifield: Who are the members of the Sullivan Broadband Committee?

Tom Scherpa: Mike Brooks, Chair, Tom Scherpa, Steve Nardello, Deena Houle, Tony Wilcox

Marsha Cook: FiberCast would like to construct a "head-end" in Sullivan – a mechanicals structure, approximately 16'x20' to provide redundancy for Sullivan should there be power outages in Keene or Stoddard. They do not want to lease the land, but buy it outright. The best location found to date is a .22A piece of Town land on Church Street, directly across from the sand and salt shed. While the build is not necessary, it will provide Sullivan with additional assurance of uninterrupted services. All costs to construct and maintain this fall to FiberCast.

Chairman Merrifield: Meeting next week will be School District Budget.

Motion to adjourn at 8:26PM made by Chairman Merrifield, seconded by Mike Blanchard.

Respectfully submitted,



Kathleen N. Rowe

Administrative Assistant