

MINUTES OF HAVERHILL ROAD BOND HEARING
Wednesday, February 11, 2015
Draft Subject to Review, Correction and Approval at Following Meeting

Board Members Present: Wayne Fortier, Tom Friel, Lynn Wheeler and Robert Roudebush

Members Excused: Rick Ladd

Town Manager: Glenn English

Administrative Assistant/Finance Officer: Jo Lacaillade

Clerk: Karen Hyde

Advisory Budget Committee Members: Dick Fabrizio, Howard Hatch, Dick McDanolds, Dan Brady, Jon Hobbs, Laraine King, and Chris Luurtsema

Members of the Public Present: Darwin Clogston, Mike Conrad, Joe Maccini, Kevin Shelton, Dick Guy, Homer May, and Kenneth King

Call Hearing to Order: Chairman Fortier called the Road Bond Hearing to order at 6:05 PM.

Chairman Fortier let the record show that this was a Public Hearing being held by the Haverhill Town Selectboard and was open for discussion as to whether or not the Town of Haverhill will engage in a \$1 million bond for the purpose of repairing and maintaining the 24 miles of paved roads. The Selectboard has been struggling with this issue. Last year, they had wild dreams about borrowing \$2 million dollars and at the 11th hour, the Board decided to cut it altogether. The issue did not go away and the conditions of the roads didn't go away. The only difference between last year and this year is that through TM English's influence with North Country Council (NCC), the Board did get an independent study of all the paved roads with an assessment of their conditions, an estimated cost to repair them and prioritization. If the Town were to repair the paved roads today, the estimated cost would be \$2.24 million and that is totally unrealistic. The Board knows that the Town cannot afford that, so they have cut it down to \$1 million. They are having some intensive discussion about that. On the sheet called Capital Road Construction 2015-2024, the bottom figure for this projected work will be \$1,694,785. The Board also didn't think they could do this amount either. Starting in 2016, on a 10-year bond with an interest rate of 2.69%, the annual principal would be \$100,000, the interest would be \$26,974 and Woodsville's share would be \$33,396 a year. At the end of the 10-year period, the interest would be \$148,000. The Board has not made an official decision as to whether they are going to recommend this bond or not. However, before the end of the evening, they have to make that decision because it has to be printed and noticed in a Warrant. Beside that Warrant, it will say that the Board either recommends it or it doesn't recommend it. The purpose of the Hearing is to get input on that. Chairman Fortier wanted to thank the Advisory Budget Committee for their very intense discussion of the budget. The reason the Board has not made a decision is because they are truly troubled whether they want to go forward with this bond or not. The options that have been suggested by members of the public are that the Town goes with pay-as-you-go. The Town's history of pay-as-you-go fluctuates somewhat. In the past, their behavior has been to raise \$100,000 a year for tar. It has gone up some years to \$130,000 a year. Since he's been on the Board, within the last 4 years, it was reduced one year to \$80,000. Basically, \$100,000 goes into paving the Town's 24 miles of road, a section at a time and it is determined by the Town Manager and the Road Agent to what sections will get attended to. That behavior has not allowed the Town to sufficiently take care of the paved roads. The continued \$100,000 is not going to "cut the mustard" of attending to the roads in a proper manner. He thinks that that amount needs to be increased

by some degree and the Board has no idea what that degree would be. Some feel that with pay-as-you-go, what would have been paid over a ten-year period of time in the amount of \$148,000, that amount could have been put into a yearly allocation by the Town and paid for that way. If they go for the bond, the question would then be what the road conditions would be like in ten years; probably they would start over to some degree. The same would be true for pay-as-you-go. He thinks that is an overview of where the Board sits. At the Board's last meeting of February 9, the Board dissected the assessment a bit. The emphasis of the people who made the assessment is placed on taking care of the good roads first so they don't deteriorate any further and then work down the list. There are crack seals, shim, rehabilitation and total reconstruction and at the bottom of the list are Lime Kiln Road and Lily Pond Road that really need total reconstruction. There was an idea by a Board member to dissect that list a little and the thinking was that crack seal and fill should be regular normal maintenance and should not be included in the bond. If all the crack seal and fill were taken away, some of the other areas of shim, rehabilitation and reconstruction could be attacked with a \$1 million bond or attacked in the other methodology of pay-as-you-go. Public input at the last Selectboard meeting on February 9 was the bond issue should be put to the voters. If the Board were to go with the bond, it would be an increase of 47 cents per \$1,000 on the tax rate. This is just to fund the bond and does not include the amount of money to be raised for the normal budget. The Board was projecting a 35 cent increase on the normal budget, making a total of 82 cents per \$1,000. The Board spent three hours going over the budget as recommended by the Advisory Budget Committee and they trimmed \$113,000 off the budget. If the Board votes to go with that budget, instead of 35 cents, the tax rate on the budget only would increase by 5½ cents per \$1,000. So they reduced it from an estimated 35 cents to an estimated 5½ cents. If they vote to go with the bond, then it's up to 52½ cents including the budget. The Board is also struggling with how they are going to spend the \$1 million. There has been talk between the Board and citizens that they need a Highway Committee, consisting of people who have been in the business of building roads that can give, not micromanage the Town Manager and Road Agent, but give them an idea about how to attack various problems. Some of those problems came up before the Budget Committee the other night. There was a proposal to replace a culvert in Town and the estimated cost was \$45,000. If they did it another way, by putting a sleeve into the current culvert, it was \$90,000. Someone else had an idea that they could do it a different way and there was a figure of \$17,000. This is the kind of issue that a Highway Budget Committee could help the Board – qualified people who have been in the business, who know construction and who can give the Board advice. That is where the Board is headed to create such a Committee. These are the ideas and difficulties that the Board has discussed at length, both with the Advisory Budget Committee and as a Board independently. Chairman Fortier stated that Mike Conrad had come in that evening with a 3-page Petition that was too late to put on the Warrant, but it showed the number of people concerned with the condition of Lily Pond Road. On the list, Lily Pond Road was a total reconstruction. He then asked for questions from the public.

Joe Maccini suggested that \$125,000 should be added to the Highway budget and every two years, there would be \$250,000 to attend to some of the roads. The work suggested on the list could not be done in one year. He also suggested doing core samples on these roads. He was in favor of pay-as-you-go. Chairman Fortier stated that TM English had said that the road work would take two years. Kevin Shelton asked if there was money in the budget for maintenance. Chairman Fortier stated that there was money for annual maintenance, but not for new construction. There was \$100,000 designated for Tar. Lynn Wheeler commented that when the Board had the study done, the thought of the study was that if the good roads weren't kept in good condition, the work would just have to be started over. Lynn then asked Joe if they started with the worst roads, which would be in two years, then what happens to the others that may end up being awful, too. Joe responded that automobiles are not what they were 15 years ago. Twenty-five years ago, a road like Lily Pond would not hurt a car because of ground clearance. Cars now have little ground clearance which causes damage to the automobile. Chairman Fortier stated that to raise \$100,000, 29 cents per \$1,000 is added to the tax rate. Mike Conrad agreed with Joe Maccini that core samples needed to be done. He commented that there was no drainage on Lily Pond Road. Chairman Fortier stated that most of the road work would be hired out. The Highway crew is

limited in what they can do as they have their regular summer work and the majority of this work would be Machine Hire by a contractor. Mike asked if there was going to be an engineer on the job to oversee the work or just let the contractor go and Chairman Fortier stated that they haven't gotten to that point yet. Chairman Fortier also stated that was one of the reasons why the Board needs a Committee to help formulate the ideas on how they would actually do the work. Robert Roudebush stated that whether they pay-as-you-go or get a bond up front, that the best construction practices would be followed, which would mean core samples. TM English stated that this was just a plan, not a construction document and it was an attempt, as flawed as it is, to give some idea of what the costs might be or what the work might be, but this was not a construction document. There would have to be a lot of work done before specs could be developed and put out to bid. Laraine King asked if all the engineering costs would be in addition to the plan. Chairman Fortier stated that the plan was an estimate for construction. Laraine then stated that they had no clue what the engineering costs would be and TM English stated that he didn't feel they needed an engineer for most of the work. To hire a professional engineer would be over the top for most of the work. TM English stated that the costs came from prices that the Town has paid for excavators for work similar to this and the University of New Hampshire, which has a lot of information on road costs. They are just cost estimates. Dan Brady agrees that forming a Highway Committee is a good idea and would go a long way in alleviating some of the anxieties. He also wondered if there could be a conditional bond put in the Warrant for this year. Chairman Fortier asked Mr. Brady if he was leaning toward the bond and Mr. Brady responded that he would support the bond, but would like the conditional bond in the Warrant for this year. Chairman Fortier stated that there was one opinion for pay-as-you-go and one opinion for the bond. Richard Guy was in favor of pay-as-you-go. Laraine King stated that it would be 47 cents for the bond, and then whatever for the regular budget but what would the increase be for the schools. Richard Guy explained where the School Board was at. Laraine asked if they were looking at a \$300,000 increase for the schools. Chairman Fortier stated that it was 29 cents on a \$100,000, so at a little over \$250,000, it would be a little over 58 cents. With the bond, the budget and the school, they were looking at an estimated \$1.27. Howard Hatch stated that he was in favor of pay-as-you-go. Kevin Shelton also stated that he was in favor of pay-as-you-go. Laraine King asked about the gravel roads. She commented that there was money in the budget to do a gravel road analysis and was informed that the gravel road analysis had been taken out of the budget. Kenneth King asked when the Town was going to do something with the dirt roads. Chairman Fortier stated that they would get to that and Mr. King responded that they better real soon. Laraine commented that there were twice as many miles of gravel roads than paved roads. Lynn asked Mr. King how much each year he would like to have his taxes go up. Mr. King commented that in the 24 years he has lived in Mountain Lakes, the Town has done nothing to the roads. Chairman Fortier stated that some Mountain Lakes people have been in the Selectboard meetings about their roads and he can only respond that the Board is not forgetting about gravel roads. Again, he thought that the formation of a Committee, who is well qualified in road building and construction design can help the Board identify where they need to start on the gravel roads. Chairman Fortier stated that the Road Agent has attended to the gravel roads as best as he could with the resources and the natural materials that he has and the budget constraints. The Road Agent just can't do all of them at once. A plan needs to be formulated on how that's all going to flush out. Mike Conrad asked how the Woodsville reimbursement worked. Chairman Fortier stated that it was a formula worked out by the State and he thought it was 25% or 26% of whatever is raised for Highway funds has to go to Woodsville. AA Lacaillade stated that it was not 25 or 26%, but a very multi-layered formula that was negotiated last in 2008. It is determined by the highway funds, population, the number of roads that they have and their assessed value compared to the whole Town. There are many pieces that go into the formula, which causes the dollar amount to change every year. TM English gave a history of the Woodsville reimbursement. He stated that Woodsville Precinct was the first entity in Town that had a Highway Department. In the 1800s, the people in Woodsville wanted paved roads and the people in the rest of the Town did not. So they formed their own Highway Department and started paying for paved roads. Then what happened over the years is a Town Highway Department was formed so the taxpayers in Woodsville ended up paying for two Highway Departments. So to reimburse them for some of that

cost, the formula was put together to reimburse the Haverhill taxpayers that lived in Woodsville who were paying for two Highway Departments, whereas the rest of the Town was paying for one Highway Department. He commented that the formula now is much fairer than when it was first set up. Chairman Fortier stated that they had heard from Joe Maccini a figure of \$125,000 to up the Highway budget and anything that they do would be an improvement. There was only one possible drawback on pay-as-you-go. The suggestion was that the \$125,000 be dedicated to the fund for reconstruction of the roads and to increase the Highway budget above and beyond the \$100,000 for Tar. In future years, if some other pressing need comes up, either the Advisory Budget Committee or the Board draw from that dedicated fund, it then sets them back even further. The Board has to discipline itself to honor their own commitment to dedicate funds to increase those funds for the Highway. Someone asked if they could have a Warrant Article dedicating those funds for the Highway. TM English stated that there was no Highway fund right now and he wasn't sure if a Highway fund reserve could be created. It would be looked into. Darwin Clogston asked if the roads were a priority, there are other departments in the budget that could be cut some so that some of the money could be put towards the roads. He felt that they were only presented with two options here: (1) to add money to the budget for pay-as-you-go and (2) add to the budget for a bond. Money could be taken out of other departments and put into the Tar budget to keep the taxes lower and prioritize their roads. Mike Conrad was in favor of pay-as-you-go. Lynn asked if a line item in the budget could be created for the road projects. TM English stated that he would check into a Capital Reserve for Highway.

Chairman Fortier closed the Road Bond Hearing at 6:53 PM

Minutes transcribed by Karen Hyde