

Workshop and Business Meeting of the Elliot Select Board

March 3, 2016, 5:30 PM

MINUTES

Present: All Select Board members, Town Manager, Public Works Director, consulting Engineer Keith Pratt and many citizens of the town.

The Chairman opened the workshop at 5:30 pm.

The Town Manager gave a brief overview of the new proposed funding plan wherein taxpayers would pay 22% of the new (increased) \$1.7 million debt, and the sewer users would bear 78% of the new debt.

Keith Pratt then reviewed why the increase from \$1.5 million to \$1.7 million has occurred – two plus years have passed since original estimate, new findings during the last two years (especially soils issues) have increased prices along with inflation. Also the new lending rate has gone up by .50 % to 1.5% from what we could have had for a rate one year ago at 1.0%.

The debt service would go from \$83,000 per year to \$98,500 per year. This will represent a \$173 increase per year for sewer users, plus the tax impact.

It was asked if grants might be available. It was explained that this was extremely unlikely.

There was some disagreement over whether TIF funds could be used under the current TIF program to repair the pumps and extend mains toward 236. Some thought DECD would never approve it; others remembered the attorneys saying that it was doable under certain conditions.

It was asked if we could do some lesser repair and bring the cost down, and if we were building a "gold standard." The engineer said it was being built to what is known as a "municipal standard" wherein it must meet all applicable codes and to try and remove confined space issues.

Keith reviewed the impact of the 22 / 78 proposal and how although the debt is bigger and the interest rate is worse, the previous 25% rate increase could still stand if taxpayers helped with 22%. This only equates to about \$6.00 / year on a \$250,000 property.

He also cited the need to remove more infiltrating water, the rising costs at Kittery and other factors contributing to the large, required rate increase.

The Chair then allowed public comments. Thirty or more comments were received, several of the same theme. 1) funding formulas divide the town; 2) this is the Town's sewer system / infrastructure, not the possession of 600 users; 3) we did not want the sewer; it was forced on us; 4) the system was mismanaged for many years; 5) the ballots and information on previous TIF votes was not clear and should be done again with clear wording and information disseminated; 6) the whole town ought to pay for repairs to "their" infrastructure, etc.

Selectmen Pomerleau and Davis said the TIF funds use was never going to be approved.

Selectman Murphy made a statement about using the TIF funds and going back for a fourth vote on 236 sewer per the original intent, now that there is a new understanding of the need to repair the pumps. The crowd reacted warmly to that idea.

The Chairman closed the workshop at 6:10 pm.

The Chairman opened the business meeting at 6:10 pm.

Selectman Davis made a motion to fund the sewer pump bonding with 22% of the debt coming from general taxation and 78% to come from sewer fees. This was seconded by Selectman Pomerleau and was so voted 4 - 0 with the Chair concurring in the affirmative. Selectmen Fernald and Murphy expressed concerns about passing up the TIF fund opportunity.

The Chair suggested to the audience that they spread the word on this.

At 7:53, Selectman Murphy made a motion to adjourn the meeting and Selectman Fernald seconded the motion. It was so voted unanimously.

Respectfully submitted,

Dana K. Lee, Town Manager

Approved
DM

April 15, 2016
DATE

John J. Murphy
John J. Murphy, Secretary