

OCT 04 2012

**BOARD OF SELECTMEN
MEETING MINUTES
9/18/12**

LUNENBURG TOWN
CLERK OFFICE

[Handwritten signatures and initials]

6:00PM EXECUTIVE SESSION

To consider the purchase, exchange, lease or value of real property, if the Chair declares that an open meeting may have a detrimental effect on the negotiation position of the governmental body.

The Board of Selectmen met in the Joseph F. Bilotta Meeting Room, Town Hall as scheduled with David Matthews, Paula Bertram, Tom Alonzo, Carl "Ernie" Sund and Town Manager Kerry Speidel present.

Absent was Steven M. deBettencourt

Regular Meeting opened after Executive Session at 7:20 PM with the Pledge of Allegiance.

7:00PM PUBLIC COMMENT

ANNOUNCEMENTS

APPOINTMENTS

CURRENT BUSINESS

1. Review Special Town Meeting Warrant Articles – Richard Mailloux, Vice Chair of the Library Board and Robin Venezia, Library Trustee, spoke on STM Article 4 which asks for the town to vote a supplemental appropriation of \$35,598 to the amount appropriated at the 2012 Annual Town Meeting for the operation of the Lunenburg Public Library. Mr. Mailloux explained that the cuts made to the Library budget at Annual Town Meeting put the Library in a tremendous hole and that they are now looking at timelines/deadlines with a State waiver application which is October 12, 2012. If the budget cuts stand they will lose \$35,598 and an extra \$12,000 in State aide. The Library has reduced hours of operation from 44 – 40 hours which is the State minimum for approval as far as certified libraries go. Mr. Mailloux was hoping that projected revenue coming from the State to the Town of Lunenburg would put additional monies into the final cherry sheet appropriation for the Town and Schools that could be used to reinstate funding to the Library.

Mr. Matthews explained that the number coming back from the State was \$123,673 between the Town and the School. Last year with all of the changes in Choice and Charter assessments the State took \$105,000 from the Town based on change of population and lower enrollments. Mr. Matthews went on to say that he understood the request and would love to support it but based on financial realities of how the State operates and not being able to predict additional spending that may need to be made during the year he could not support this request.

After discussion among the board members and the Town Manager they were all in agreement with Mr. Matthews that they support the Library but could not support Article 4.

Mr. Mailloux spoke to say that he felt the cut to the Library was disproportionate compared to the other department cuts with the exception of the Council on Aging. He understands the BOS concerns but the October 12th deadline for the waiver is where they are coming from. He stated that the Library offers services to every single resident of the Town from birth till death and for all of the services they provide it is approximately 1% of the Town budget.

Ms. Speidel spoke and said that she agreed that the cuts to the Library and the Council on Aging were disproportionate but if you look at what's happened over the last several years these two departments have not been cut and other departments have consistently been cut. She hopes that when the waiver application is filed, the State will look favorably on what the Town has done over the last several years and recognizes that this is the first time it has been applied for here.

Ms. Venezia stated that if they do need to submit for the waiver they will need Town input to write a letter to explain the budget process and why it is a disproportionate cut to the Library.

Articles 1, 2, & 3 are still being discussed in Executive Session due to the fact that they are still negotiating with two different developers in town.

Mr. Matthews explained the challenges that the BOS are trying to come to terms with and understand what the full assessment of both projects should be regarding PILOT, PPA, property values, tax credits and SREC's. He reiterated that they will not be entering into a PILOT with anyone that they do not have a PPA with. The problem they have is "putting all of their eggs in one basket" and hope that one gets developed, hope we enjoy the energy savings costs for the next twenty years or take the chance of that project not being developed and the town gets nothing out of it. PILOT agreement requests are in the range of 12K per MW – 15K per MW which is still lower than the lower assessment that the Regional Assessor has come up with based purely on the revenue of the project. The BOS are willing to balance some of that against the proposed savings depending on which plan they pursue. Savings to the tax payer, based on a 2MW facility, range from approximately \$3.8M to as much as \$4.2M over the next 20 years. There is also a limit to how much alternative energy power that Unitil has to buy so if both of the projects were built out fully it would exceed what Unitil is in the market for. Unitil gives the Net Metering deal to who ever is done first. An example being if the town agrees with one supplier and they have completed a day after the other supplier they could be out of the running.

Toby Bakaysa, Chairperson of the Planning Board updated the BOS on the status of the project on 651 Chase Rd. The Public Hearing has been completed and they will finalize the Finding & Directives this coming Monday night. He anticipated approval of the Findings & Directives pending no problems arise, after which the developer will be granted their Special Permit and then they will be able to ask for the building permit. This project sits on 110 acres of which 22 acres will be utilized for the project, with two solar fields (10 acre & 3 acre). He stated that 60% of the project land will remain undisturbed and ultimately it will be a 3.1 MW project.

Mr. Sund commented in saying that earlier in the year he was somewhat critical of the Planning Board and would like to say that they have done an excellent job and thanked Mr. Bakaysa for all of the work and effort he has put in.

Mr. Alonzo commented and said that in their negotiations there is also a possibility that they could split the electric needs of the town and perhaps could come to an agreement with both developers. If the Special Permit goes through potentially both projects could be built and the BOS want to be able to at least provide the electric benefits that both could bring to the Unitil area.

Mr. Sund pointed out that that the projected savings could be \$142,000 in year 1 and as you get into year 20 its up towards \$235,000 per year which amounts to an extra \$100,000 on an increasing scale. He believes that \$140,000 could go along way with things like the Library or something else.

Michael Borkowski, EPG Solar spoke and questioned the Special Permit being issued for the Chase Rd. project. His understanding is that the permit cannot be issued until the appeal period is expired. He also questioned the other facility being 3.MW and said that it exceeds what the town usage is and wanted to know if that developer had an off taker for the rest of the energy already lined up, seeing that it is a potential risk scenario. Mr. Matthews replied that they have not defined how it would be split yet with the developer. Mr. Borkowski stated that who you can sell that to is limited because of Unitil's cap and that it would not be able to be sold at full percentage amount. Mr. Alonzo replied that the BOS is aware of that cap.

Mr. Borkowski commended all of the Lunenburg boards that have worked with this over time for their diligence and thoughtfulness in going through all the different procedures and being able to come to some conclusion on the facility. He is hopeful to work with the Town in the future and said that they are committed to doing what they can to provide the greatest benefits to the Town.

Ms. Bertram asked Mr. Bakaysa to clarify how the appeal period works. Mr. Bakaysa replied that once the Directives & Findings a proved they are then eligible for the Special Permit. There is then a 20 day period in which the Special Permit can be appealed. Ms. Bertram questioned for example whether or not they could get a building permit until the appeal period had collapsed. Mr. Bakaysa said that he did not believe that it was technically correct. He believes the law says today, that at the developers risk, they can go ahead and start construction even during that appeal period. Mr. Bakaysa also stated that the EPG project on Pleasant St. has already gone through the appeal period and they have not heard anything in regards to that.

John Whalen, 526 West Townsend Rd spoke and said that he had read a document on Solar Power Purchase Agreements, written by a group who do negotiations with solar firms. In it states that there is a 2MW cap for the size of a Net Metering facility unless it's municipal. The 3MW facility on Chase Rd would not be allowed to be a 3MW Net Metering facility

unless there is a municipal slant to it. He is worried that this project is still in the works and the BOS are negotiating money for it and he feels he has been a little "rail roaded" with the negotiations and feels the Planning Board is rushing to get this done in time for STM. He feels concern that possibly the BOS does not understand at this point all of the iterations and benefits of signing a PPA with some of these companies. He believes that it is not possible to put a 3MW facility in that location that's Net Metering and if it's not Net Metering or Municipal then the transition costs need to be paid. He also remains concerned that he has not seen a Conservation Meeting Notice for the Chase Rd project.

Mr. Alonzo spoke in saying as far as the Net Metering, the BOS understands the cap that Unitil has and the requirement from the State as to what they can put into their Net Metering facilities along with MW capabilities. The Town entering into a Net Metering or PPA does not make that a Municipal project. A Municipal project, as Mr. Alonzo understands it, is for example a Municipal Light Co., or if the Town owns the land and actually did the project as a Town. Since the Town is just buying power from it, that limit is up to a cap that the developer needs to follow and those are requirements outside of local control. All the Town is trying to do is to make sure that we know that it is because of its size, Unitil is small enough, that eventually they will be flooded, and meet their 2 or 3% cap quickly. We want to take advantage, if we have these two, to make sure that we get the maximum benefit of that and that somebody doesn't build a facility in our Town where the benefits of the power go to other communities.

Mr. Alonzo said that as far as being "rail roaded" he feels the Planning Board has gone through their due diligence. The Conservation Commission has their requirements and it is not up to the BOS to push or not to push them, they have their own process to go through and if there is an objection to how they have done it he would recommend to go to those boards to make that request.

Ms. Bertram added that she feels that if Mr. Whalen has concerns he needs to go to those boards. This board is acting to the reality that one project has been issued a Special Permit and another project is close to having one issued. If these projects go forward it would be horrible to her if they did not see the benefits to these projects because the benefits that were outlined earlier a significant. The reality is that we do not have to be the individuals who reach these Net Metering agreements, other communities can take advantage of them as long as they are within the Unitil territory and the people of Lunenburg will have to live with these facilities in their backyards without seeing the financial benefit. It's our responsibility to bring these forward but it is ultimately up to the tax payers whether or not these projects go forward.

Mr. Bakaysa stated that there is no rush to the Chase Rd. project, it is just the normal process that we go through. This project which was originally on 651 Chase Rd was brought to us, it had a Development Plan Review prior to the new Bylaw that was in place, and there were Findings & Directives that were done at that time subsequent to our Town Meeting where we adopted a new Bylaw and they were required to come back in under a Special Permit. They repeated the process of holding a Public Hearing and are now in the process of finalizing the Findings & Directives that are relative to the Special Permit. We have reviewed those with our Reviewing Engineer and they are now in Town Counsel's hands for final review. The Conservation Commission is a separate board and they have their own processes that they go through. The Planning Board notes in the background of their Findings & Directives that this particular project, as we understand it today, has not yet brought forth the new plan to the Conservation Commission, nor has it been approved by them. Part of our Directives to them is that it will be noted that no building permit can be issued for this project until we have that Order of Conditions in such from the Conservation Commission. This is just a normal process it's going through and all of the appropriate steps have been taken to make sure that we do the right thing.

Mr. Whalen spoke and apologized for using the term "rail roaded" but still thinks it feels like it's a decision that's being made by many different boards, in many different places, discussing many different ins and outs of these projects and seems to be done hastily at the moment. He remains concerned that with the project being rushed, a problem may develop which was not foreseen. He wishes that people had numbers & ideas so people could talk about this publicly to know what they will be voting on at STM.

Mr. Matthews apologized that the BOS did not have the numbers & facts for Mr. Whalen and explained that this is an ongoing negotiation and if they are too open in their discussion, the opportunity to negotiate will disappear.

Ms. Speidel recapped what was already said this evening saying that there are two important pieces of information to take home this evening concerning the PILOT & PPA. In terms of the PPA our usage is about 2M KW hrs per year. We are looking at an agreement that would net the Town a projected savings of between \$140,000 & \$180,000 per year, or over the 20 years between \$3.7M & \$4.2M. In terms of the PILOT agreement the Town is looking to come to an agreement

that represents the full and fair cash value of these projects based on the income approach, which is an accepted approach for valuation of property. She said they will have much more detail for Tuesday's STM.

Mr. Bakaysa spoke to clarify that the Chase Rd project is on the same timeline as the EPG project was. From the time they went through the process of the Public Hearing to the issuing of the Special Permit we are on approximately the same timeline.

Ms. Bertram reiterated that any PILOT agreement that may be reached will be contingent upon a Net Metering agreement.

Greg Bittner, 129 Pleasant St asked if the Town has the ability to solicit PPA's from entities outside of Town. Mr. Matthews replied that if there was another developer this far along that could get a project in the ground ahead of these two developers, so they can get in line first for the Net Metering agreement, sure, but he didn't think there is anything out there.

Mr. Bittner asked what is the "100%" that the Town could receive, if there was no PILOT program. Mr. Alonzo replied he would point at the word "could" because there is no solar project which we have assessed anything to so there's nothing to state that we could and there are very few guidelines from the Dept. of Revenue about the taxation of these projects.

Mr. Matthews stated that we have looked at what other Towns have done, but its hard to determine what their motivation was, did they really want the projects done and were willing to do it for a lot less or did they just come to a different valuation.

Mr. Matthews assured everyone that next Tuesday at STM the numbers will be presented in detail.

2. Minutes/Warrants/Action File Issues

Minutes: 8/28/12 8/14/12 8/7/12

Warrants : 9/18/12 W 16-13 \$40,061.61

Action File Issues :

3. Committee Reports – Mr. Alonzo reported that the Finance Committee had a meeting on Thursday where they had a Representative from the Worcester Retirement Pension Board who gave a great presentation on explanation of how the pension plans work. He reminded all that the Finance Committee Public hearing will be televised this Thursday at 7PM.

Mr. Matthews requested that the BOS be given the highlight sheet from the Worcester Retirement Pension Board presentation because it contained a lot of good information about the how the system works.

Mr. Matthews stated that the School Committee met last weekend and spoke about enrollment which will have an impact on the Town with funding from the State. The counts show right now that we are seeing 43 fewer students then actually enrolled last year which equals a 3% drop. The final report on where the students went whether it be private school, charter, other communities, etc will be completed in October.

4. Department Reports – None

5. Town Manager Reports – Ms. Speidel read an announcement from the Town of Shirley regarding road construction work in the Town of Shirley on Catacunemaug Rd. which borders Lunenburg which will have an impact on traffic flow. The culvert and roadway on Catacunemaugh Rd will be reconstructed and the road at its intersection with Leominster Rd will be reconfigured. This will require the road to be closed to traffic from October 9th projected through November 15th. Lunenburg DPW & Fire Depts have been made aware of this and only emergency traffic will be allowed to pass through this area.

OLD BUSINESS - None

APPOINTMENTS/RE-APPOINTMENTS/RESIGNATIONS *(Taken out of order)*

1. Shelley A. McCaie to the position of Treasurer-Collector, effective 10/08/12 Ms. Speidel recommended to the BOS the appointment of Shelley A. McCaie to the position of Treasurer-Collector to be effective as of 10/08/12. Ms. Speidel explained the interview and hiring process and then invited Ms. McCaie to introduce herself to the BOS.

Ms. McCaie gave a brief description of her personal life and prior work experience stating that she is excited about this opportunity.

Mr. Alonzo moved to appoint Shelley McCaie to the position of Treasurer-Collector. Ms. Bertram seconded. On vote, motion carried, 4 in favor, 0 opposed.

2. Extend appointment of Myleen Mallari as Acting Treasurer-Collector to 10/07/12

Mr. Alonzo moved to extend the appointment of Myleen Mallari as Acting Treasurer-Collector to 10/07/12. Ms. Bertram seconded. On vote, motion carried, 4 in favor, 0 opposed.

Mr. Alonzo thanked Ms. Mallari for stepping in during this transition period and doing a great job there.

3. Benjamin R. Campbell to the position of Reserve Police Officer – Mr. Matthews stated that the BOS met before Executive Session and unanimously ratified the appointment of Benjamin R. Campbell to the position of Reserve Police Officer.

Being no further business Mr. Sund motioned to adjourn the meeting. Ms. Bertram seconded. The board voted unanimously to adjourn regular session at 8:31PM.

UPCOMING MEETING SCHEDULE

September 25, 2012 – Special Town Meeting

October 2, 2012

October 9, 2012

October 16, 2012

October 23, 2012

*Respectfully submitted,
Susan Doherty, Recording Secretary
Board of Selectmen*

RECEIVED & FILED

OCT 04 2012

**LUNENBURG TOWN
CLERK OFFICE**