

LINCOLN BOARD OF SELECTMEN

APPROVED

MEETING MINUTES

MARCH 18, 2019 – 5:30PM

LINCOLN TOWN HALL - 148 MAIN STREET, LINCOLN, NH

(MEETING VIDEO AVAILABLE AT WWW.LINCOLNNH.ORG)

Board of Selectmen Present: Chairman OJ Robinson, Tamra Ham & Jayne Ludwig

Staff Present: Town Manager Burbank and Chief Ron Beard

Excused: Jane Leslie

Public Present: Dave Beaudin, Debbie Celino, Jim Welsh, and Roger Harrington

I. CALL TO ORDER

Town Manager Burbank called the meeting to order at 5:30 p.m. and recommended the Board select their Chairperson and make their committee appointments.

II. BOARD OF SELECTMEN COMMITTEE APPOINTMENTS

The Board discussed the various Selectmen appointments to committees and made the following motion:

MOTION: “To re-appoint OJ Robinson as Chairman to the Board of Selectmen; Tamra Ham as Vice Chair and Joint Loss Rep.; Jayne Ludwig as Selectmen’s Budget Committee Rep.; OJ Robinson as Selectman’s Planning Board Rep. and CIP Rep; Tamra Ham as Riverfront Park Committee Rep.”

Motion: Tamra Ham

Seconded: Jayne Ludwig

Motion carries

III. REVIEW AND APPROVAL- MINUTES OF THE PREVIOUS MEETING

MOTION: “To approve the meeting minutes of March 11, 2019 as presented.”

Motion: OJ Robinson

Second: Jayne Ludwig

Motion carries.

MOTION: “To approve the Non-public meeting minutes of March 11, 2019 as presented.”

Motion: Tamra Ham

Second: Jayne Ludwig

Motion carries

IV. OLD/NEW BUSINESS

MS-232 – Report of Appropriations Actually Voted On (Town Meeting)

The Board reviewed the MS-232 which certifies that the information and appropriations contained on this form were voted on at Lincoln’s Town Meeting and taken from an official record (total appropriations that were voted in). The total amount was \$7,415,646.

MOTION: “To sign the MS-232 as presented by Finance Director, Johnna Hart.”

Motion: OJ Robinson

Second: Jayne Ludwig

Motion carries

V. AGENDA TOPICS FOR UPCOMING JOINT LINCOLN-WOODSTOCK BOARD MEETING

The Board discussed topics for their upcoming joint meeting with Woodstock Board of Selectmen on April 15th at 5:30 pm at Lincoln Town Hall. Robinson suggested one of the topics they discuss is the purchase of a scale for the Solid Waste Facility, the construction debris rates, as well as the

repair/replacement of the roof. Ham suggested they compare CIP's to see how they match up and to make sure both towns are on the same page with upcoming projects and costs. Selectman Ludwig would like to look at the potential for joining fire departments and possibly having an assessment or joint feasibility study conducted. Robinson noted that in previous years when there was a discussion on conducting a feasibility study, Woodstock was not interested in participating, and Robinson recommended they approach this from a philosophical point of view prior to obtaining a feasibility study. Ham would also like to discuss the timeline for repairs at the Community Center (\$50K for flooring for ½ of the building this year, and \$50K for the remainder of the flooring next year) as well as two (2) additional projects: (1) insulation of the entire building (exterior), and (2) airlock door entrances for the childcare center and the main entrance (may include grant money). Ham would also like to review the Recreation Dept. rates. Ludwig suggested the boards discuss whether or not they should set a meeting schedule and determine how many times a year they would like to hold joint meetings. In closing, the Board agreed on the following agenda topics:

- Solid Waste Scales
- Solid Waste Roof Repair/Replacement
- Solid Waste Fee Schedule
- Fire Department Philosophical Discussion
- Community Center
- Recreation Department Rates
- Joint Lincoln-Woodstock Meeting Schedule
- Use of hydrant near the Hobo (Lincoln Ice Castle site) in the event of an emergency

VI. 2019 BOARD OF SELECTMEN GOALS

The Board reviewed their 2018 Goals and agreed to keep or add the following items to the 2019 list:

- Water Meters & Water Rates.
- Sewer Issues (capacity & town growth) sewer upgrades and funding.
- Village at Loon water pipe to the tank feeding Coolidge Falls & Clearbrook (**low priority**).
- Work on obtaining written agreements (defining responsibilities) for PORS (privately owned redistribution systems). (**medium priority**)
- Process and timeline to resolve water pressure issues, adding addition to the South Peak tank, additional tank at a new location (**high priority**).
- Crosswalks (crosswalk at Clark's is on hold; crosswalk at Gordy's needs a light, Gypsy Café Crosswalk (work continues to progress with the state).
- Public parking/Riverfront parking.
- Kanc Recreation Area parking.
- Workforce Housing.
- The Pines at Forest Ridge Retention Pond (water going into/coming out of it)
- Conduct a rate study.

End of Goals List

Selectman Ludwig asked the Board how they felt about increasing the Board of Selectmen from a three (3) member board to a five (5) member board. Ludwig feels this would provide fair representation for all members of the community and the board thought that would be fine (Ludwig will research further and follow-up with the board).

Selectman Ludwig asked the board if there was any way to provide more detailed data in the warrant articles when it comes to payroll costs/finance information so that they are more transparent. Town Manager Burbank added that payroll is broken down by department and individual employee as well. Robinson asked Ludwig to articulate exactly what she is suggesting, and bring it back to the board.

At 6:05 pm, Town Clerk Lisa Philbrick joined the meeting.

Vacant Planning Board and Zoning Board of Adjustment seats

Town Manager Burbank asked Philbrick to review the current vacancies that are pending on the Planning and Zoning Boards:

- (1) vacant Planning Board “*Alternate*” seat for one (1) year-term expiring in 2020
- (1) vacant Planning Board “*Alternate*” seat for three (3) year-term expiring in 2022
- (1) vacant Zoning Board Member seat for three (3) year-term expiring in 2022
- (1) vacant Zoning Board “*Alternate*” seat for two (2) year-term expiring in 2021
- (1) vacant Zoning Board “*Alternate*” seat for three (3) year-term expiring in 2022

**Planning Board is responsible for appointing Planning Board alternate members.*

Philbrick explained that Carole Bont (Town Planner) will be speaking with Deanne Crystal to see if she is interested in filling in the vacant Planning Board Alternate seat for a one (1) year-term. The Board asked that this information be posted on the town website and Face Book pages.

Town Clerk Philbrick departed the meeting at 6:15 pm

Rate Study

Ray Korber is working with Hoyle & Tanner to come up with a plan for a possible water tank expansion. Town Manager Burbank explained that he received a quote from Hoyle & Tanner for \$28,500 to conduct a peer reviewed study on water storage in the town. Burbank suggested that the next developer that approaches the town for a project could contribute funding towards the costs for this study as he does not feel the financial burden should be put on the taxpayer. A discussion ensued concerning whether or not this study is viable and something that the town needs at this time. Robinson does not feel they need the entire town studied but would rather welcome one of Hoyle & Tanner’s engineers to explain to the Board why building a tank is “*not*” the right thing to do, and if they cannot, then invest the money into determining how big a tank we need; where does it go, how many gallons should it hold, how do we circulate the water, etc. (and if it can be done for less then \$28K). Robinson feels we need to narrow the scope of what we want done (accomplished) and paying for that rather than a study on the entire town.

Town drinking water (Water violation(s))

Selectman Ludwig asked what the status was of the water violations and where the town stands in remedying this issue. Town Manager Burbank explained that the Water Department is currently working with a company (Westec) that is reviewing the water treatment processes and they will be submitting a written report with recommendations shortly. Burbank noted that DES requires the town to test their water sample from the lowest point of the river (near the wastewater treatment plant) which is a dead-end line and the weakest possible point to conduct a water test.

Moody’s Investors Service (Credit Rating) Report

Moody’s Credit View is a flagship solution for global capital markets that incorporates credit ratings, research and data from Moody’s Investors Services. Chairman Robinson read the following credit overview for the Town of Lincoln: “*Lincoln has a healthy credit position, and its Aa3 rating is*

equivalent to the median rating of Aa3 for cities nationwide. Notable credit factors include a robust financial position, an extremely small debt burden, a mid-ranged pension liability, and a modestly sized tax base with an adequate wealth and income profile.” The financial position of Lincoln is very strong and is a strength in comparison to the assigned rating of Aa3. The town’s fund balance as a percent of operating revenues (68.6%) is far superior to the US median, and increased significantly between 2013 and 2017. In addition, the cash balance as a percent of operating revenues (103.4%) is far above other Moody’s-rated cities nationwide (see attached).

Town Managers Report

Sewer Lagoon Levee Bank Repair Project

The bank stabilization is almost complete and the project is moving ahead of schedule with the river’s cooperation. Burbank is pleased with the company doing the work.

Leak Detection Grant (DES) Update

The town received notification from DES that the grant for the Leak Detection Study has been granted and it will be presented to the Governor and Council by the end of the month. DES will then be selecting contractors to perform the work throughout the state.

Fire Department Salary Upgrade

Town Manager Burbank explained to the Board that after receiving public input and discussions with Chief Beard, he has authorized an increase in salaries for all Fire Department personnel (current and future). Starting pay (no experience) will be **\$14.50** per hour; Fire I Certification - **\$16.50** per hour, Fire I & Fire II Certification - **\$18.50** per hour. At this time, there is one (1) new applicant being processed for the department.

Industrial Park Land Sale

Chairman Robinson explained that the town received an offer for a parcel of land at the Business Park and step one required that this matter be brought before the Planning Board for a recommendation (March 13th), and step two is one (1) of two (2) public hearings (March 28th & April 8th) must be scheduled. The Planning Board had voted 4-0 (Robinson abstained) against proceeding with the sale for the following reasons:

- The process should be revised for approving the Business Park land sales (must have detailed goals/expectations for the Business Park). The Planning Board did not have a clear understanding of the goals and process for approval and wanted more time to deliberate.
- Does not create enough jobs to warrant a sale.
- Questions over whether or not there is an obligation to give Mike Donahue a *right of first refusal*.
- Believe sale is priced *below* the market value (at \$60K).
- Board lacked information on the sale (other than the number of jobs it created) the size of building, parking lot etc., (even though this is part of site plan review process).
- There was a discussion about whether the Business park would contribute more to the town’s economy by being used for multi-family housing (NOT workforce, subsidized, or low-income housing).

Chairman Robinson recommended to the Board that they specifically, and in writing, task the Planning Board with (1) deriving a list of goals as to how the Business park can be utilized best and most beneficial to the town; (2) propose a process for the Board of Selectmen to use in determining the sale of the town-owned lots. Selectman Ludwig feels there is a sufficient amount of information that was recently discovered that may answer a lot of the Planning Boards questions, and asked if the Planning

Board has had a chance to review the material. Burbank was not certain if they have seen the recent documents as Jane Leslie recently printed the documents out for the Selectmen to review. Selectman Ham suggested Carole Bont forward any documents that are public information to the Planning Board for their review.

Public Participation

Roger Harrington asked if the pipe that supplied the water to the Ice Castle (when it was in Lincoln could be available to provide water in the event of a fire. Chief Beard responded that he was not certain if that water line was still turned on.

Roger Harrington asked the Board if they were aware that the new Community Center roof was leaking and asked if there was a guarantee from the roofing contractor that installed the roof. Burbank was not aware off the top of his head, and would speak with DPW Hadaway and follow up with the Board.

Jim Welsh asked if Hiltz Construction has language in their contract that states they would repair any damages to the roadway (Recycle Road) that their trucks may cause as they enter and exit Recycle Road to repair the levee at the Sewer Lagoons. Burbank explained that Recycle Road is *not* one of the posted roads in town, so any truck driving in/out of the transfer station may exceed the posted weight ban limit.

VI. NONPUBLIC SESSION *Pursuant to RSA 91-A: 3:II (e) Two legal updates (Chief Smith & NHEC legal update)*

MOTION: "To go into Non-Public Session pursuant to RSA 91-A: 3II (e) Litigation(s)"

Motion: OJ Robinson Second: Jayne Ludwig Motion carries.

The Board went into non-public session at 7:15 pm.

MOTION: "To re-enter public session."

Motion: OJ Robinson Second: Tamra Ham Motion Carries.

The Board came back into public session at 7:40 p.m.

Chairman Robinson explained that the town's attorney for the NHEC Assessment Lawsuit has recommended a proposed settlement agreement that multiple New Hampshire partner communities have already accepted, and made the following motion:

MOTION: "That the Town of Lincoln accept the proposed settlement that was outlined in the letter from NHEC Town Attorney Chris Bolt to the Board of Selectmen, and to give Town Manager Burbank the authority to declare the same to Attorney Chris Bolt, and move ahead with the signing of legal documentation."

Motion: OJ Robinson Second: Tamra Ham Motion Carries.

VI. ADJOURNMENT

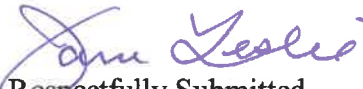
After reviewing the weekly payables and with no further business to attend to, the Board made the following motion.

Motion: Tamra Ham

Second: Jayne Ludwig

Motion Carries.

The meeting adjourned at 7:52 p.m.



Respectfully Submitted,
Jane Leslie

Approval Date 4 /01 / 2019



Chairman OJ Robinson



Selectman Tamra Ham



Selectman Jayne Ludwig

ISSUER COMMENT

15 March 2019

RATING

General Obligation (or GO Related) ¹

Aa3

No Outlook

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Town of Lincoln, NH

Annual Comment on Lincoln

Issuer Profile

The Town of Lincoln is located in Grafton County in northern New Hampshire's White Mountain National Forest, approximately 75 miles north of Manchester. The county has a population of 89,280 and a low population density of 52 people per square mile. The county's median family income is \$77,742 (1st quartile) and the December 2018 unemployment rate was 1.8% (1st quartile) ². The largest industry sectors that drive the local economy are health services, retail trade, and educational services.

Credit Overview

Lincoln has a healthy credit position, and its Aa3 rating is equivalent to the median rating of Aa3 for cities nationwide. Notable credit factors include a robust financial position, an extremely small debt burden, a mid-ranged pension liability, and a modestly sized tax base with an adequate wealth and income profile.

Finances: The financial position of Lincoln is very strong and is a strength in comparison to the assigned rating of Aa3. The town's fund balance as a percent of operating revenues (68.6%) is far superior to the US median, and increased significantly between 2013 and 2017. In addition, the cash balance as a percent of operating revenues (103.4%) is far above other Moody's-rated cities nationwide.

Debt and Pensions: The debt burden of the town is negligible and is quite favorable in comparison to its Aa3 rating. The net direct debt to full value (0.5%) is lower than the US median, and remained flat from 2013 to 2017. Lincoln has a moderate pension liability which is in line with the assigned rating of Aa3. The Moody's-adjusted net pension liability to operating revenues (0.97x) is favorably below the US median.

Economy and Tax Base: The town's economy and tax base are healthy overall and are comparable to its Aa3 rating. The full value per capita (\$626,160) is materially above the US median, and was flat between 2013 and 2017. Yet, the total full value (\$837 million) is weaker than other Moody's-rated cities nationwide, and the median family income equals just 81.8% of the US level.

Management and Governance: New Hampshire cities have an Institutional Framework score ³ of Aa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. New Hampshire cities major revenue source is property taxes. Some cities have adopted local tax caps tied to a three-year average of the CPI-U index. The cap allows for moderate revenue-raising ability, can be overridden by a two-thirds vote of the city council and does not limit the city's obligation to pay debt service in accordance with the Municipal Finance Act. Unpredictable

revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. However, New Hampshire has public sector unions, which can limit the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Sector Trends - New Hampshire Cities

New Hampshire's economy continues to expand, largely attributed to the southeastern region of the state which benefits from the vibrant Boston economy. Job creation in manufacturing and a highly educated labor force will help fuel income gains and housing appreciation. Over the long-term the state's low tax burden will position the state favorably for continued economic improvement compared to other northeastern states. Cities will continue to rely on modest tax increases and a generally positive trend in property valuation to maintain balanced financial operations. Pension liabilities will continue to be slightly above the national median given the unfunded liability of the state's retirement system.

EXHIBIT 1

Key Indicators ^{4 5} Lincoln

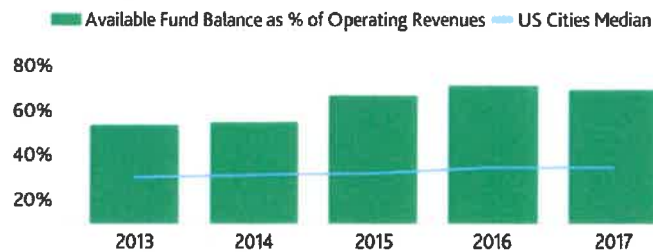
	2013	2014	2015	2016	2017	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$794M	\$763M	\$816M	\$886M	\$837M	\$1,867M	Improved
Full Value Per Capita	\$628,256	\$582,889	\$607,097	\$663,217	\$626,160	\$89,200	Stable
Median Family Income (% of US Median)	70%	74%	84%	82%	82%	113%	Improved
Finances							
Available Fund Balance as % of Operating Revenues	52.9%	54.2%	66.1%	70.5%	68.6%	33.9%	Improved
Net Cash Balance as % of Operating Revenues	82.2%	91.9%	95.0%	72.5%	103.4%	36.9%	Improved
Debt / Pensions							
Net Direct Debt / Full Value	0.5%	0.5%	0.4%	0.5%	0.5%	1.1%	Stable
Net Direct Debt / Operating Revenues	0.61x	0.55x	0.48x	0.73x	0.63x	0.88x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.8%	0.9%	0.8%	0.7%	0.7%	1.8%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	1.07x	1.09x	1.00x	0.93x	0.97x	1.51x	Stable
	2013	2014	2015	2016	2017	US Median	
Debt and Financial Data							
Population	1,264	1,309	1,345	1,337	1,337	N/A	
Available Fund Balance (\$000s)	\$3,217	\$3,432	\$4,152	\$4,625	\$4,451	\$7,419	
Net Cash Balance (\$000s)	\$5,000	\$5,814	\$5,963	\$4,758	\$6,711	\$8,404	
Operating Revenues (\$000s)	\$6,082	\$6,328	\$6,279	\$6,558	\$6,489	\$21,930	
Net Direct Debt (\$000s)	\$3,681	\$3,503	\$2,999	\$4,762	\$4,101	\$18,580	
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	\$6,526	\$6,876	\$6,264	\$6,122	\$6,268	\$32,507	

Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

EXHIBIT 2

Available fund balance as a percent of operating revenues increased from 2013 to 2017



Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

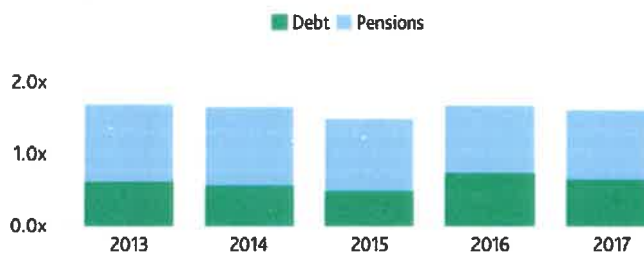
Full value of the property tax base increased from 2013 to 2017



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues was stable from 2013 to 2017



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

- 1 The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.
 - 2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.
- The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- 3 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(December 2016\)](#) methodology report for more details.
 - 4 For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). Metrics represented as N/A indicate the data were not available at the time of publication.
 - 5 The medians come from our most recently published local government medians report, [Medians - Property values key to stability, but pension burdens remain a challenge \(March 2018\)](#) which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.

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