

Lincoln Board of Selectmen – Meeting Minutes
February 14, 2011

Board of Selectmen Present: Chairman Peter Moore, Selectman Deanna Huot and Selectman Patricia McTeague.

Staff: Town Manager Peter Joseph and Administrative Assistant Brook Rose.

Members of the Public: Susan Chenard, Tamra Ham, Lutz Wallem, Charlie Cook, and OJ Robinson.

I. CALL TO ORDER

Peter Moore called the meeting to order at 5:40 PM.

II. MINUTES OF THE PREVIOUS MEETING

MOTION: Deanna Huot made a motion that the meeting minutes of February 7, 2011 be approved. Patricia McTeague seconded the motion. Motion carries.

III. OLD / NEW BUSINESS

Review of Current Power Provider Contract & Consideration of Alternative Options

Peter Joseph explained that Lutz Wallem had suggested that a long term fixed rate contract may be more advantageous to the Town than the variable rate under the current contract with Glacial Energy. As a result Peter Joseph had reviewed the past year's rates from Glacial and compiled a cost comparison of an average months usage between Glacial Energy, New Hampshire Electric Co-op (NHEC) and Constellation Energy. These were also the three companies under consideration when the Town had originally decided to switch its electric provider from NHEC to Glacial. Glacial and Constellation were also the two major companies who would bid on a contract with a company the size of the Town of Lincoln.

Glacial's rate structure uses a variable rate, which they had claimed would be significantly lower on average than NHEC's rate. NHEC's rate is fixed from month to month, but changes twice per year. A review of the past year's rates from Glacial and the current rates from NHEC showed that Glacial rates on average did not provide any significant savings over the rates available from NHEC. NHEC provides a different rate for smaller services and the larger three-phase services, so that while the smaller 2 and 3 phase rates were significantly higher than the Glacial rates, the large 3-phase rates were lower.

Peter Joseph provided a review of the three different providers and showed that a fixed rate from Constellation in the 7.7-7.8 cent per KWH range would equal the current NHEC rates, and would be slightly lower than Glacial's rate, which has not gone lower than 8.3 cents per KWH in the past 12 months.

The benefit of choosing a fixed rate contract with Constellation over an equivalent rate with NHEC would be that the Town could lock that rate in for 22 months. NHEC estimates that their rates will increase by between 2% and 5% per year, so by the end of the 22 month period, the Town should realize substantial savings by locking in a contract rate. The Board members discussed these options and agreed that a fixed contract would be beneficial for both savings and

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budgeting purposes. The Board requested that the Town Manager enter into a 22 month contract for electric power purchasing with Constellation, so long as a rate in the 7.7 to 7.8 cent per KWH range could be obtained.

Town Business Park

Peter Moore informed the Board that he and Peter Joseph had a meeting with developer Mike Donahue last week regarding his development of the Town Business Park. Chairman Moore and Peter Joseph discussed the Town's position, which is that they believe the conditions of the development agreement have not been fulfilled by the developer, and that the Town is no longer obligated to offer the right of first refusal on additional lots. They also discussed with Mr. Donahue that the Town does not believe that it is practical to take any type of legal action regarding the fact that J & M Donahue Inc. have not constructed a business facility on the site. Mr. Donahue explained to Chairman Moore and Mr. Joseph that he has a business plan for developing the lots and could have constructed a small facility merely to satisfy the agreement. However he did not believe the current economy would support this business plan and did not feel that this course of action would have been in the best interest of either party. He did acknowledge that by not fulfilling the terms of the agreement he would forfeit rights of first refusal. He also stated that he still had plans for the development of the site and would hope to move forward with those plans as soon as economic conditions permitted.

Mr. Donahue asked that the Town not sell the other lots for less than the current market value. Chairman Moore explained that current market value may not necessarily be what the original market value was, and that it was unlikely that the Town could sell any of the lots for the original listing prices at this time. The Town's interest in considering alternative economic development strategies to recruit businesses in the business park was discussed. Mr. Donahue was in favor of any of these ideas that would not set a precedent of sales prices below current market value for the lots. Peter Joseph explained that although the Town has not yet considered any specific economic development strategies.

Peter Moore went on to say that the Donahues have contributed much to the Town and he would like to continue the respectful relationship the Town has with them. He feels that the Town has put all of the outstanding issues with their company to rest at this point, and that the Board's next step is to decide on a real estate broker.

Deanna Huot reiterated that the purpose of the business park has always been to support local businesses or individuals who may not have a lot of money but would like to start a business in town. She would like the Board to keep in mind that none of the lots are of any value until a business gets going in the park. She added that the sale price of the lots should not be the only consideration.

Charlie Cook suggested the Board get something in writing from J & M Donahue Inc. acknowledging that the breach of their agreement with the Town forfeits their right of first refusal on the lots. Deanna Huot stated that it would protect J & M Donahue Inc. to have something in writing as well. After some discussion, it was decided that Peter Joseph will write up a general description of the discussion of the meeting with Mr. Donahue for the record.

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Town Business Park Listing

Coldwell Banker Linwood Real Estate and Remax in the Mountains were the two proposals submitted to the Town for the business park listing. Coldwell Banker has held the listing for some time now. The largest difference between the two proposals is that the commission is 2% less on Remax's proposal. Remax also has some new marketing ideas, nationwide clientele, and the ability to list properties nationally. Deanna Huot stated that Coldwell Banker did a great job with the listing and re-listing the property is not a poor reflection on them. It is simply time for a change.

MOTION: Patricia McTeague made a motion to enter into a contract with Remax in the Mountains for the listing of the Town's Business Park. Deanna Huot seconded the motion. Motion carries.

Town Manager's Report

Peter Joseph informed the Board that the Senate has proposed a bill (SB3) to reform the current retirement system. A hearing on SB3 will be held later in the month. Peter Joseph reviewed the major changes proposed in the bill with the Board. The Board requested that Mr. Joseph draft a letter from the Board to Senator Gallus stating their support of SB3.

Deanna Huot said that she saw Ray D'Amante, the attorney for North Country Center for the Arts (NCCA) at the NCCA auction and that Mr. D'Amante spoke very highly of Peter Joseph. Mr. D'Amante mentioned that Mr. Joseph was extremely helpful in expediting the affidavit process for NCCA.

IV. PUBLIC PARTICIPATION

Tammy Ham informed the Board that the high school boys and girls ski racing teams both took 1st place this year and the middle school took second place. The Board congratulated the teams on their success.

V. ADJOURNMENT-

As there was no further business to attend to, the Board adjourned at 7:25pm.

Respectfully submitted,

Brook Rose

Approval Date: ____ / ____ / ____

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LINCOLN BOARD OF SELECTMEN:

Chairman Peter Moore

Selectman Patricia McTeague

Selectman Deanna Huot