

*Office of the Select Board  
Town of Orange, New Hampshire  
Select Board Minutes and Joint Meeting with the Budget Committee  
February 2, 2020*

*Present:*

*Select Board:* Dorothy Heinrichs, Chair; Robert Ells, Tamara Fairbank (Budget Committee ex-officio), and Sandi Pierson (clerical)

*Budget Committee:* David Stacy, Chair; Robert Proulx, Secretary; and Louis Shelzi

*Others:* Alasdair Dunlap-Smith, Alex Smith, Guley Dunlap, Trish Weekes, Doug Weekes, Judith Lindahl, Scott Sanborn, Donald McFarlane, and Karen McFarlane.

The meeting centered on a strategy to pay the town's portion of the 7/11/19 flood-related damages that will not be covered by FEMA. FEMA covers 75% of the total cost, the town is responsible for 25%. There was no discussion or amendments to the operating budget drafted by the Select Board and Budget Committee on January 28, 2020.

Scott Sanborn reported that the high-end estimate on flood-related work is \$1,148,000; which means the town's 25% obligation would be \$287,000. He said that FEMA pays to return the roads to the condition they were in before the flood, not for modifications. He said there are funds available for mitigation, but they are also on a 75%/25% ratio.

Scott offered a timeline for completion of work between two and four years, which should be permissible under the FEMA work extension protocol. Scott explained that the town's projects are classified in groups. If a project is under \$130,000, FEMA pays 75% of the estimated cost even if the actual cost comes in lower. This is sometimes advantageous toward the town's 25% liability. If projects are over \$130,000, FEMA pays 75% of the actual cost. Aaron and Dave Stacy spoke in favor of completing the totality of repairs as timely as possible.

Ideas discussed for financing the town's 25% included putting the town's liability into the municipal budget, putting a separate warrant article before the voters (either for an appropriation or a bond), and/or accessing the Road Improvement Capital reserve which presently has a balance of \$68,520.64.

Treasurer Trish Weekes explained Mascoma Saving's Bank's proposal of a FEMA Reimbursement Anticipation Note, which would finance the work during the process of FEMA reimbursements and town appropriations. The bank offered a line of credit for the full cost of work at a 2% interest rate. Interest is only accrued on money borrowed. Payments from the town and FEMA will progressively pay the loan. Trish gave examples of the liability to the tax rate if they went with loan. The Board, Budget Committee and the Scott agreed the Mascoma interest rate was very reasonable.

Answering a question from Trish, Scott explained that the highway operating budget is usually divvied up with \$40,000 to \$50,000 for winter maintenance, \$25,000 to \$30,000 for summer maintenance, and the remainder for miscellaneous items such as vehicle repairs.

Louis Shelzi asked if the money not spent from the 2019 operating budget could be used. Dorothy said that those funds go into the unreserved fund balance and cannot be encumbered nor used to pay expense incurred the following year. Sandi said that because the 2019 budget was under-expended by about \$44,000, it should be reflected in the 2019 Financial Report of the Town (MS-535) and may be available to offset the 2020 tax rate. The figure of the unreserved fund balance will be available by May 1 when the MS-535 is due to the DRA by the auditor.

The general consensus was to access the Road Improvement Capital Reserve to help pay for the town's portion of the cost. Donald McFarlane suggested a capital reserve be created in the future specifically for unexpected nature-related damages to roads.

After discussion, Tam motioned for Treasurer Trish Weekes proceed with the FEMA Reimbursement Anticipation Note with Mascoma Savings Bank in the amount of \$900,000. Aaron seconded. Motion passed unanimously in favor.

After discussion, Tam motioned to place an article on the warrant to change the purpose of the Road Improvement Capital Reserve Fund to the purpose of repairing roads damaged by the flood event of July 11, 2019. Aaron seconded. Motion passed unanimously in favor.

After discussion, the Board voted unanimously to have Louis Shelzi prepare the language for a second warrant article in relation to the revenue that may be needed, if the above article fails.

Trish Weekes and Scott Sanborn were thanked for the work on behalf of the groundwork they've both done in presenting the town with information and options.

Bob Proulx noted that the public hearing on the proposed 2020 town budget is scheduled for Wednesday, February 12 at 7 p.m.

*The Budget Committee adjourned the joint session at 7:20 p.m. The Select Board's meeting remained open to conduct further business.*

*Lost payment:* Because the last payment to Richard Remacle was accidentally lost by him, Tam motioned for the treasurer to stop payment on the check and to reissue it. Aaron seconded. Motion passed unanimously in favor.

*Solar:* The Board and audience discussed the solar exemption warrant article earlier submitted to the Board by Judith Lindahl. Donald McFarlane requested that the Board remove from the article the maximum limit of \$25,000 valuation. He said most towns do not include a cap. Alasdair Dunlap-Smith, Alex Smith, and Karen McFarlane spoke in favor of the removing the limit. Alex said the cost of a system is much higher if a home wanted to be electrically self-sufficient. Alasdair stated that what the utility company is paying for electricity from home systems has exceedingly decreased. Judith stated that the \$25,000 exempts the panels, the apparatus is not taxed. After discussion, Aaron voted to keep the article as written, noting an amendment to it can be discussed and voted on at town meeting. Tam seconded. Vote passed unanimously in favor.

Dorothy will follow up with legal counsel to verify that it can be amended if a voter chooses to put forth an amendment at town meeting.

*Law enforcement:* Dorothy stated that the town received an email asking the Board to consider having its own police officer. Presently the town is covered by the state police at no cost to the town. Dorothy read allowed the 2019 state police report. After discussion, Dorothy motioned for the Board to take no action at this time on the matter. Aaron seconded. Motion passed unanimously in favor.

*Climate Symposium:* Dorothy stated that a climate symposium was scheduled for February 5 with a number of the Presidential candidates in Concord from 8:15 a.m. to 6:15 p.m.

*Meeting adjourned 8:05 p.m.*

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Dorothy Behlen Heinrichs

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Tamara Fairbank

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Aaron Allen