

TOWN OF GROTON  
PUBLIC HEARING – PROPOSED PUBLIC WORKS BUILDING  
February 3, 2021

**In Attendance: John Rescigno, Tony Albert, Ron Madan and Sara Smith (Administrative Assistant)**

**Audience Members Present**

**John called the Public Hearing on the Proposed Public Works Building to order at 8:55pm.**

ARTICLE 2: To see if the town will vote to raise and appropriate the sum of **one million eighty-three thousand nine hundred eighty four dollars (\$1,083,984.00)** to design and construct a new Department of Public Works building, and to authorize the issuance of **six hundred eight-five thousand dollars (\$685,000)** of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); to authorize the Selectmen to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the Selectmen to apply for, obtain and accept federal, state or other aid, if any, which may be available for said project and to comply with all laws applicable to said project; and to authorize the Selectmen to take any other action or to pass any other vote relative thereto. The remaining appropriation will be funded through an anticipated **two hundred fifty thousand dollars (\$250,000)** USDA grant, and the withdrawal of **one hundred forty-eight thousand nine hundred eighty-four dollars (\$148,984)** from the Public Works Capital Reserve Fund. Further, to raise and appropriate from taxation up to \$100,000 for the first year's debt service payment.

Recommendations required (3/5 ballot vote required)

John explained that we have reached out to Groton Wind to see if there are any other options for community support that we could use towards this project and they are looking into it. Miles asked if we have any idea of where this stands. Tony and John said that they did state that it would fall short of the need of \$685,000.00 which we knew they wouldn't give that amount. Sara explained that they responded that they didn't know what kind of funds are available but they would look into it and get back to us. Miles said he knows he is being prognostic but wanted to know if we think they are going to be able to do something. John said it is hard to say but they have been generous to the Town in the past for other things but anything that they give would help.

A resident asked if there is money in this appropriation to tear down and dispose of the other building. John said no it does not that would have to be another year. Tony said we are hoping there may be some grants to help with this cost. He said they are hoping to have it down within a few years.

A resident asked if the Town would sell the land. John said it is not a value to anyone else because it is in a flood zone so no one else could build on it or anything. It is still a value to the Town because it goes to the Town Conservation Pond. The resident stated it could offset some of the costs for the bond payment. John said it may be something the Town will consider later on down the road if needed.

Doug Hutchins asked if the grant money is guaranteed or if they could back out of it. John stated this money is guaranteed to the Town. Sara mentioned that this money has been obligated to the Town so USDA cannot back out but the Town can if the Town doesn't vote in favor of the building at Town Meeting.

Pam mentioned that we should check with DRA about the wording of this article since we are banking on the \$98,984 from closing two accounts and then voting it into the Capital Reserve Fund. At the time this warrant article is discussed, this money doesn't exist because both of those articles are voted on later. John mentioned maybe we should ask if we can discuss the other articles first. If we cannot, he said we can always mention that there are two articles coming up that pertain to this. Sara explained that this article has to be opened and discussed first. She has spent a lot of time on this article with DRA, our attorney and the bond counsel on this wording and has explained that it is contingent on article 4 and 5 passing. Sara said she has asked before if we can open this article and discuss it and then move to the other articles before the vote on the bond. She will follow up again to confirm with DRA, the attorney and the bond counsel that this can be done and will have this information for the next meeting.

Pam said that the other thing is that she knows we have already spent money, not just on engineering firms, but also on excavation of the area and she would like to know how much money we already put into the building. Bubba said he knows it has been \$10,000.00 for the excavation. Sara said that she doesn't have the first-round information with her. Sara and Bubba guessed around \$67,000.00 total but Sara said she could go check and get the exact totals. Sara left the meeting to go get the exact total from her office.

Tony Tavares reminded everyone that this bond article has to be the first item discussed at town meeting and also it is a ballot vote which has to be open for at least an hour so public business will be conducted while the voting is still taking place. John mentioned that is a 3/5 vote now. Tony Tavares confirmed that is correct that it changed from 2/3 vote to 3/5 vote.

Bill asked if the architect is intended to be the project manager on this. John mentioned that this was just an architect to get us the numbers for the grant. John said that there will be a general contractor involved as well. Tony said that it will have to go out for bid and whoever gets the project will be in charge of it.

Bubba said that in order to get the \$250,000.00 grant there were guidelines that we have to follow. When we started working on this almost 7 years ago on just this building committee. Bubba said they knew they needed to move the building back in 2007 from what we found in the minutes, he said it was 10 years after they built the building that they started the discussions. He said that the USDA has certain standards that we have to follow. We were trying to get site work done so that it would cost less when we did the building but they asked us to stop doing anymore site work until everything is voted on and moving forward. There was clearing of trees and excavation that was done that will save a lot of money in the long run-on site work but we couldn't do any more.

Tony said that the money we spent on the first architect and engineer did help us this time since they had created plans and costs so that this time around for the grant, we only needed to spend the money to have those plans and costs revised and didn't have to pay for the entire work to be done again. This made it so we didn't have to start from scratch again.

Bill asked what the restrictions are for this grant. He knows it obviously has to be used towards this building but are there certain costs amounts that need to be met or building size? John mentioned that in order to get the grant we had to come up with a final building plan in order to get it. They needed that information so when we started it was a higher cost and the Select Board and Bubba worked together, with some input from the Town, to scale the building back. They made it smaller, moved the offices so they were in the back inside the garage area, made some bays smaller but they couldn't do much more to make it any smaller and can't reduce the cost much more in order to get the full grant amount.

Bill said to pretend the money didn't exist, why can't we work with the budget the Town establishes. If we take the grant out of it, we can decide what the Town can afford whether that is \$500,000.00 or whatever number and reach out and then reach out for grant money based on that budget. John said it doesn't work that way. Also, the grant money would be a lot lower and you would just be making a way too small building that wouldn't house all of the equipment. The building right now is set up to hold the four pieces of equipment that the Town owns and everything else are requirements we have to follow. If you make the building smaller you would have to leave equipment outside which would just make it depreciate faster or you are going to have to add on to the building down the road which will cost more money in the long run. Right now, when we are looking at the bond payments, it fits within what the town can afford and has done in the past for other projects.

Bill asked if this plan includes the salt and sand sheds. John explained that it does. Tony mentioned that for both of the salt and sand sheds it is around \$75,000.00.

Russ asked what is the cost of the equipment that is being stored in the building. Bubba said it over \$500,000.00. He said it is \$250,000.00 for the big 6-wheeler, \$150,000.00 for the smaller 6-wheeler, \$130,000.00 for the backhoe and about \$40,000 for the pickup. Russ said so you want to spend a million dollars to protect ½ million dollars in equipment. Bubba said a million dollars for the Town for the rest of the lives and any other equipment that we get in the future. Sara said it is also to get the building out of the flood zone so we stop losing material, other items, building repair, and all that comes with the flood damages. John said when you house your car in a garage you get a discount on your car insurance so that increases the lifetime of the vehicle.

Bubba said when he first was working for the Town, Slim is the one that brought the USDA information forward for a truck at that time. Sara and Bubba recently found out when applying for the truck grant last year through USDA that you can apply for a USDA loan every, you may not get it but you can apply. Bubba said that with the last application they almost didn't give it to us because the place the truck was going to be stored is in a flood zone. The only reason they did is because we had the building grant in the works with them. If the building doesn't go through, we may not get any more grants.

John said even if you want to put aside the idea that the building out of a flood zone will help make the vehicles last, just think about how many times that garage has flooded in the last two or three years We lost a police cruiser and other equipment, we almost lost Bubba's life. There was one day when John was helping Bubba move equipment for the flash flooding that happened so fast. When Bubba was going out to get the backhoe, he was in water up to his waist and then it kept raising. There are some storms like this that you don't know about. Whenever we know about the storms and rain ahead of time the equipment gets moved but then there are other times like this storm when you don't know. We were moving equipment and we saw water coming around the building and within 5-10 minutes it was up to Bubba's chest.

Russ asked where the new building is going to go. John explained it will be going across from the Transfer Station. He asked why you can't just pour a slab and put a building on it. John explained that is what we are doing but this is what it costs to do that.

Bubba said we have had many meetings about this building, this is not the first time this has come up. Bubba has been working on this building for 7 years and it surprises him how many people don't know how much time has been put into this and by the costs. Bubba said it is a lot of money, he understands that, but he doesn't think it will cost that full amount but he can't promise that.

John said that the costs keep going up the longer we wait.

Tony said that with the grant and other money, it is only \$685,000.00 for the bond that they are asking the tax payers to pay. The first payment is estimated to be around \$93,000.00 and then there will be bond counsel fees.

Sara explained this is the first time we found a grant for the building since she has been here. Her and Bubba work hard on grants and have got grants for the roads, vehicles, and other things and are always looking for them and there were never any options for the building until this one. If we don't move on this we don't know when we will have another chance. This was only opened up since they had extra money this year and the town qualifies because of the disaster damages the building has received during the storms from being on the flood zone. They can't guarantee this grant will come up again.

Russ said that you don't need to chase a grant if you don't need the building itself. John said we do need the building. At some point the insurance company is going to drop us, the building is not in the best shape due to all the damages even with repairs because it has been under water three or more times.

Russ said that he doesn't think it will cost a million dollars to build a building across from the Transfer Station. It was explained that it does, we have worked on this for many years and with two different architects and the costs were over a million in both cases. John said if he wants to try to find the building for less then he can but the last person that said that came to three meetings and never returned when they realized it was more than they thought.

Sara wanted to go back to the question about the cost totals so far. She explained the first time around was \$47,301.36 with Turnstone. This time around the excavation was \$10,000.00 like Bubba said and then the engineering and architect costs have been \$7,606.40. This is a total for all of the project so far, the first time around and this time is \$64,907.76.

Russ asked if the Select Board let the Town know about this. John mentioned that there have been many meetings that obviously he didn't attend. The first time around there were many meetings with Turnstone and the Town was informed of the costs at prior meetings. This time around we have also had many meetings, including two public hearings and many informational meetings on this building.

Russ asked where this money was coming from. It was explained this was taken out of the Public Works Capital Reserve Fund. Russ said the Select Board must have authorization to spend this money. It was explained that they do. He asked if there is no limit. Tony said they can't spend more than is in that fund. John and Tony mentioned that they have had public hearings and meetings before they spend the money.

Ruth asked if having this building in Town would bring up the towns valuation and if that would help with the taxes. John and Sara said that it would bring the valuation of the Town up but they don't know how much. John said that as the Towns value goes up the tax rate comes down. Tony said that the building can also be used as another emergency shelter because it will have a generator.

A resident said that the towns portion may go down but the county will go up. It was asked if there was any way we could find out how this would affect our county tax rate. A resident said that it may bring the value of the Town up but since it is Town property and is exempt from paying taxes in it, it will not bring in more tax money like it would if she was to build a million-dollar home. Another resident said that is correct but the county tax rate will probably go up because of this which will raise the tax rate.

Bill asked if it will cost the town more to operate the new building compared to the building we have now. John mentioned that since the building size isn't going to be much bigger than what we have now and everything will be more energy efficient so it should be less.

Doug said that we are still in the middle of a global pandemic so there are people without jobs so any increase in taxes could be the difference between them surviving or losing their home. He feels we could do something for a lot less money and he would hate to see the taxes keep increasing. There are people that are behind on their taxes already.

A resident said that when this is presented it would be good to go over how this will affect the taxes. John said we already do have this information because last year without the building we were at \$1,362,981 and this year with the first building payment we will be \$1,203,580 so we are going to raise less money in taxes with the building. Tony said this is for the Town and 65% of our taxes goes to the school which we don't have control over. We can control the Town rate but we have no control over the school and county.

Sherry said everyone can help control the school by going to meetings and voting. John mentioned the school wants to do away with the tax cap. Sara mentioned that the school will be here at the Groton Town House on Tuesday, February 9, 2021 at 6:00pm for a public hearing on the tax cap that everyone should attend. Tony said we sent a check for \$80,000.00 a month to the school so the residents should be more involved in the school as well.

A resident asked how many kids Groton has in the school system. Sara said the last report she received showed 47.

A resident asked if we should bond the building for the expected lifespan of the building to keep the payments lower. John said that would be a lot more interest. The resident said then maybe we should do 5 years and John said this would really strap the town with the higher payments and if the town had to do something else this would really hurt the town. The 10 years gives wiggle room for an affordable payment and room if something else was to come up without effecting the tax rate.

A resident asked if you can pay off the bond early John explained that you cannot.

Miles wanted to present his grand proposal. Miles went over the following:

- Miles explained he talked to Pam and then came to the Board of Selectmen at one of the recent meetings to see if the Town would reach out to Groton Wind to see if they would be able to make some type of monetary contribution to help offset the costs of this project which they did and are waiting to hear back.
- Miles had requested to defer salt and sand shed. The Select Board believe it is best to do it all at once.
- Miles knows that the Select Board prepared the letter but he asked if they are going to reach out to people by phone as he recommended. John said that they are planning on doing the calls but want to do it closer to the date. They were originally going to make the calls in February, a few weeks before the vote in March, but now that the deliberative session is postponed until May 8<sup>th</sup>, they will wait a few weeks before that and call people or go talk to people. Deb asked if the May 8<sup>th</sup> date is definite and the Select Board said that it is.
- One thing he also stressed is for the Select Board to present a level funded budget and he doesn't feel that happened at least with respect to the Town's operating budget which as proposed will go up 3.6%. Miles said that whether they agree that we need the part time police line item or the Groton Road line item, the grand bargain proposal is at least in the short term to get this project through the finish line successfully, this should be done. He said it appears the stars have started

to align because he didn't know that the required vote to pass changed from 2/3 to 3/5. He called the NH bond bank and the lady that answered said she thought it was 3/5 but checked with someone else who said it was 2/3 but Sara had sent Miles the correspondence she had back and forth with NHMA, the town attorney and the bond counsel which shows that as of 9/27/20 it was changed to 3/5. Miles would propose to get this passed to remove \$18,749 from the part time police budget line and keep \$1 to keep the line item open. The second part is that he doesn't believe that this year we need to spend the \$25,000 for Groton Roads this year. He thinks it would be better this year to put the money towards the building project. He said he got himself confused with article 4 and 5 but thinks he understands it now and because the interest rates are so low, \$67,000 over the term of the bond, and with many people in town struggling due to pandemic, he would like the Select Board to consider instead of raising and appropriating all \$98,000.00 for the Capital Reserve Fund to finance or bond that out too and try to strike a better proposal between the needs of the town and the needs of the townspeople. Even if you only financed part of it to see how that would play out. John clarified if Miles was asking to bond more and he said yes because there is very low interest on that money. John said if we bond out the \$98,000 from article 5 then what would we do with the money from article 4. Miles was confused so it was explained that the money from article 5 would be offset from the money from article 4 that is going into the general fund. Miles seemed to understand this.

John said that he would like to speak to what Miles said about level funding the budget from last year. In order to level fund the operating budget it would need to come in at the same which means we would only need to lose \$2,571.00 from the operating budget. The operating budget is actually only \$2,571.00 over last year because the \$25,000.00 for Groton Roads was under warrant articles last year as it always has been so that is why there is the increase there. However, this amount is no longer under the warrant articles. If we kept everything the same as last year and kept Groton Roads as a warrant article, the operating budget would only be \$2,571.00 over last year, and there is not another Town in the country that hasn't raise their taxes more than that in a year. The warrant articles would be \$161,000 less than last year. John said if you look at the entire budget, the total expenditures, they actually exceeded the goal and did better than level funding because the total expenditures come in \$159,401 under last year.

Bill wanted to go back to the county tax, let's say it is \$1.1 what would that do to the county tax rate. We do not know off the top of our head as we don't have control over this. Deb said she can guarantee the state and county taxes would go up but we would just need to be clear on how the town controls the town tax rate but we don't have control over the county. We would just have to try to keep the town rate low for the next few years. Tony said that he stresses that in all meetings that they can only control the town rate. Bill said but the tax payers would need to know how this would change the state and county rate. The value of the current building is \$119,000 in the 2019 town report. John said that Sara will reach out to the DRA to see if they can answer these questions but we are not sure if they can and we need to keep in mind that even if they give an answer now it could change by the time the tax rate is set. We will try to have this information at one of the next meetings.

There were no other questions or comments.

**Having no other business to conduct, John motioned to close the public hearing on the Proposed Public Works Building at 9:45pm, Tony 2<sup>nd</sup>, so voted.**

Respectfully Submitted,

Sara Smith  
Administrative Assistant