

DRAFT

Operating Committee Meeting
December 14, 2011
4:30 p.m. Bow Municipal Building

Meeting opened at 4:37 by Acting Chair, Sheldon Morgan.

Jim Presher introduced new members to the board as well as introducing Frank Tilton the Alternate Rep. for Laconia to those that had not met previously.

1. Establish that a quorum is present.

Secretary, Sheldon Morgan stated that there were 5 of the 7 OC members in attendance.

2. Approval of the OC Minutes of November 02, 2011.

Motion made by Jeanne Beaudin to accept the minutes of the November 02, 2011 as printed. A second to the motion was made by Joseph Jesseman. Vote taken, all votes in favor, none opposed.

Chairman, William Herman arrived and continued the meeting.

3. Review request from City of Franklin to remove ROW reserved on Weglarz property for the City.

Jim Presher explained the drawing handed out showing the easement that had previously been reserved. Jim. said he had been approached by Brian Sullivan, Franklin General Services Director about removing the ROW.

Jim then said that Brian told him that the City does not have a need for this ROW and suggested that it be given back to Stan Weglarz.

Joseph Jesseman asked what does this ROW do for us. Jim P. said it does not help us in anyway. Jim said we just would have to amend the deed. Jeanne B. asked if it had been recorded. Jim P. said no it had been overlooked which is why we are attempting to settle the issue now for the City and Mr. Weglarz.

A motion was made by Joseph Jesseman to give the easement back to the City of Franklin. A second to the motion by Jeanne Beaudin. Vote taken all votes in favor, none opposed.

4. Interest expressed in excess property next to Recycling Facility on Whitney Road by Steve Cohen.

Jim P. explained that he had been approached by Mr. Cohen with an interest in purchasing 10.1 excess acres of land that the Co-op purchased as part of the property for the Single Stream facility. Cohen is looking to establish a scrap metal site.

Jim explained that we do not anticipate a need for the purchased property and we had hopes of being able to sell it at a later date. Frank Tilton asked if Cohen would give us consideration for any scrap that we might bring in. Jim indicated that would be considered and noted that this is very preliminary as Cohen has not talked with the City of Concord about his plans but wanted to explore the possibility of a purchase with us.

Craig M. said wetlands in that area will be an issue for him. David Hartman said this site was planned for industrial so if the Co-op does not build its planned facility then we may have an opportunity to sell all of the land. Question raised as to if there would be any neighborhood concerns. Jim P. said there are no neighbors that would be affected.

Joe J. asked what is the value of this piece for tax purposes. Jim said that an appraisal would have to be completed to determine the land value.

5. Bonding of portion of construction costs for Single Stream Recycling.

Craig M. stated that he and Jim had met with the representatives of the NH Bond Bank and TD Bank and they have requested that we provide them with a print out of our present reserve fund strategy. Craig has prepared a handout showing that information and also an additional page showing an anticipated future cost of the Single Stream Facility.

Looking at the first page, Craig explained the first four items as being designated funds three (3) being for the future closure and long term maintenance of the Franklin Ashfill and the other being a designated fund for payout of sick, vacation and insurance supplement at such time as Jean and Jim retire.

Under other reserves is listed the accounts set aside for landfill expansion, single stream and Cooperative reserves.

Looking at the recommended Reserve Balances, Jeanne B. suggested a footnote be included to state that the 2013 numbers are what is anticipated after construction of the facility.

Craig added that the \$800,000 Recycling Facility reserve is set in the event there be a downturn in the market affecting payments, the Co-op could perhaps bridge for six months or half the costs. Jim noted that talks are to begin in January 2012 with WCC regarding the current and future rates of solid waste disposal.

Craig said that if we finance less than nine million it would be difficult to take from the other funds to apply as reserves to keep the tipping fee at the current rate.

Bill Wilson asked if Craig had taken into consideration debt services reserve. Craig said yes.

Chip Chesley asked about the landfill expansion in 2016. Craig said it is likely that we will expand vertically and that a plastic over liner will be needed to allow us to build above the current elevation if we plan to continue disposing of ash till 2018.

Frank Tilton asked if we have room to expand without going up. Craig said yes but it would require wetlands permits. Jim said that new landfills seem to be a thing of the past.

David Hartman stated that he would not want to have a drawdown of the reserves to \$200,000 and that he has concerns for 2023.

Craig said that if we planned to go beyond 2018 we would need an additional four million.

Dave H. then said by applying reserves to hold the tipping fees we have drawn down reserves.

Jim P. said that after 2014 we may not have a contract with WCC. Joe Jesseman asked if trash could be disposed of at the Franklin site? Jim stated that the fill is permitted for ash only.

Justin L. asked about the interest rate? Craig said that would come up in the Recycling Facility Budget. Craig added that the rate needs to be acceptable and currently they are talking 3.5%.

Bill Herman added that the financing of the facility will include participating Co-op communities and RFAMS.

Jim P. said that a resolution will be required. Bill W. said it would be appropriate to link bond payments to the Co-op participating communities for purposed of securing the best rate and it is our responsibility to the communities using the facility.

Craig said that one other possibility in case of facility closure could be the value of equipment to offset the outstanding bond balance.

Bill W. said we will need to notice as an amendment to the Co-op Agreement. Craig added that he and Jim P. had met with staff from TD Bank and these issues are important to resolve. Frank T. asked if this would have to be taken to Town Meeting. Bill Wilson indicated that it would not have to go back. Jim P. said there also would be value in the building and land.

Chip C. asked about how the remaining debt would be distributed. Noting if group ABC Co-op communities come in at the start and group DEF join at a later date. Craig said it would be done by cumulative tons delivered to the Single Stream Facility.

Craig added that from the first day that Co-op communities participate they cannot pull out.

Joe J. asked what is the chance that the facility would close? Craig said if there were to be a long period of depression it would be possible.

Dave H. spoke about the survey his town had received from the Bond Dank. Jim P. explained that they are checking out the financial condition of all Co-op Communities. Bill W. added that the survey had been sent out without discussion with the Co-op.

6. Allenstown withdrawal request.

At 5:17 pm a motion was made by Jeanne Beaudin to go into executive session/non-meeting status for this discussion. Second to the motion by George Turcotte. All votes in favor, none opposed.

At 5:50 pm a motion was made by Jeanne Beaudin to reconvene the OC meeting. Second to the motion by Joe Jesseman. All votes in favor, none opposed.

There being no further business meeting was adjourned.

Respectfully submitted:

Jac
Sheldon Morgan.
Secretary

Attendees:

Joseph Jesseman	Rep. Tilton
Chip Chesley	Rep. Concord
Jeanne Beaudin	Rep. Belmont
Frank Tilton	Alt. Rep. Laconia
Sheldon Morgan	Rep. Gilford
George Turcotte	Rep. Franklin
William Herman	Chairman

Others: David Hartman, Ron Wanner, Patrick Bowne, Craig Musselman, William Wilson, Jim Presher and Jean Ann Cooper – not in attendance, Mark Stetson, Andover