

**Shutesbury Board of Selectmen
Tuesday May 14, 2013 Meeting Minutes**

Members present: Chairwoman Elaine Puleo and members Al Springer and April Stein.

Also Present: Town Administrator Rebecca Torres, Administrative Secretary Leslie Bracebridge recording.

Chairman Puleo opened the meeting at 6:30 P.M. at the Shutesbury Town Hall

Appointments

Police Chief Harding: Not present, due to this out-of-sequence Tuesday meeting.

Administrative Assessor Ken Holmberg:

- Administrative Assessor Holmberg and Town Administrator Torres reported on their research activities regarding the general question put to the town by Sustainable Strategies 2050 President Rayomand Bhungara and ALTRU Simply Sustainable General Counsel Jeffrey J. Macel regarding how Shutesbury might tax a 3000 kW solar farm.
- The proposed total project cost for a 3000 kW solar farm on Cows' property off Pratt Corner Road is estimated at \$5,700,000. The projected annual power generation is 3,600,000 kW, 342,000 less kW hours than the Department of Revenue's (DOR) projected generation.
- Becky and Ken attended a Department of Revenue seminar on how to evaluate such property:
 1. Some towns enter into agreements taxing the panels as personal property based on their cost, and then also taxing the real (land) property.
 - This methodology doesn't generate as much income to the town (as the alternate income method reviewed below). The panels depreciate down to 20% after 5 years in the proper tax calculation.
 - The first year might generate \$52,570 in taxes; the 5th year might be down to \$15,020.
 - The proponents would like to see a more even tax spread over 20 years which might average out to \$19,150/year for property tax with this assessment methodology.
 2. The second methodology would be based on the potential income generated by the panels.
 - The total tax over 20 years might be \$1,115,180, with a 20 year average of \$55,759/year. Those figures are very hard to anticipate.
 - Valuation by the income approach also includes the land and the panels – everything:
 - Based on our average tax rate, the income is divided by the capitalization rate (aka "cap" rate is a figure that represents how much profit the investor needs to make and that also takes the risk factor into consideration, usually around 10%.) The higher the "cap" rate, the lower the assessed value turns out to be.
 - Plus the \$95,000 land value at the land rate.
 - That total could be \$55,000/year in taxes.
- With either method the town could enter into a PILOT (Payment in lieu of taxes). Instead of income fluctuating with the tax rate, a PILOT could vary every 5 years. A fixed amount would be set every 5 years by fluctuating specific factors.
- Right now the land is in Chapter 61 bringing in about \$800/year in taxes. The cost to get the land out of Chapter 61 would bring about \$11,000 in taxes and interest to the town.
- The panels may be good for 45 years, but an upgrade of panels is anticipated as time goes by, which is a reason why people estimate value based on income.
- Shutesbury would like to get as close to \$55,000/year as possible without "gouging" the investors.
- In the real estate calculation, land values are based on 1 acre as the prime site, with all other land taxed as "residual."

- Ken is getting feedback from other Assessors (including Lancaster which has a 4 mega-watt solar farm) as to how their towns are calculating rates.
- There is a large difference in taxes between the two assessment methods.
- Revenue to the town would increase and could be used for more solar farms or funding OPEB. The use would be decided by Town Meeting.
- The town can put together different pieces. Selectmen can negotiate a 20-year pilot agreement. You could go with \$10,000/megawatt for the property tax PILOT or higher for property tax and real estate tax combined.. You want to take all the factors and decide what is best for Shutesbury.
- Solar Renewable Energy Credits (SREC's) may go away.
- ALTRU has entered into an agreement to sell 80% of their SREC's at \$100/SREC which is very low, but guaranteed.
- They are very conservative with many pieces.
- They are more interested in a set fee to be free from fluctuations.
- Ken and Becky presented the 3 considerations to Rayo and Jeffrey last Friday:
 - Use the income approach.
 - Use the personal property and straight real estate tax
 - Create a PILOT balancing the approaches.
- The possibility of getting an outside appraisal was discussed.
 - The estimated cost of an appraisal was \$4,000.
 - Advice is to have them pay for the estimate.
- Ken has requested more details on the proposed type of solar panel to be used in order to better estimate value. Current estimates of how much electricity the panels will generate are considered "conservative". The panels are 66% of what the DOR estimates as the typical value of solar farms.
- Tonight's presentation is just preliminary, so the Select Board can be aware of the variables for future negotiations. Ken and Becky will continue to bring more information to the Board.
- Jeff was cuing in on a \$52,000 figure as being within the range of what other towns are receiving.
- Will we have an issue with the roads? Pratt Corner Road would be used just during construction to bring the panels in. The road is already used by logging trucks.
- They are responsible for permitting and for an impact study. Once built there is little impact on the roads.
- Does this fit into our zoning?
- This was initially researched a while back with the Planning Board. Sarah laCour wrote letters to the abutters and did some research for initial questions.
- It's a huge parcel. The project will not be visible to any homes.
- If things start happening, Cows would be in communication with the Planning Board and the Conservation Commission.
- People want to see samples and go to sites with similar equipment.
- There's 1 in Northfield, 1 going up in Orange (on Rte. 202) and 1 on Bear Mountain in Athol.
- The town has 8 acres of land-locked land off Wendell Rd. that could be considered for a solar farm; the question is how to access it.

Topics

1. **Discuss House and Senate Budget:**

- Still unclear; no senate announcement yet.

2. **ALTRU solar farm tax computation review:**

- See Appointment with Administrative Assessor Kenneth Holmberg above.

3. **Quote from O'Reilly, Talbot & Okun (OTO):**

- Town Administrator Torres encouraged the Board to move ahead on the estimate provided by O'Reilly, Talbot & Okun for an IRA (Immediate Response Action) status report for the Department of Environmental Protection to include ground water sampling and sub-slab soil monitoring for a total amount of \$6,300 to OTO.
- Selectmen agreed that just knowing that it "smells good" is not measurable and not a measurement that could be compared to in the future.

Selectmen unanimously voted to sign a contract with O'Reilly, Talbot & Okun for continued testing under the Fire Station as proposed in a May 3, 2013 letter from OTO in the total amount of \$6,300.

4. **Letter from the Historical Commission regarding flag pole:**

- Selectmen reviewed a letter from the Historical Commission describing a 3-committee effort to replace the 1936 flagpole removed in the 1990's with a new flagpole to be placed at the recently improved honor roll corner of the Common.

Selectmen unanimously voted to authorize installation of a flagpole on Town Common as a part of finishing the landscape of the honor role

Select Board Action Items

1. **Selectmen unanimously approved the April 9, 2013 meeting minutes as written.**
2. **Selectmen voted to sign a Highway Department PAF (Personnel Action Form) for Steve Sullivan who has completed up-grading all of his CDL licenses.**
3. The **Zoning Board of Appeals Clerk** position approved at the May 3 town meeting will be advertised.
4. **Amherst-Pelham borrowing letter, May 1, 2013.**
 - In keeping with Massachusetts General Law Chapter 71, Section 16, Selectmen reviewed a notification from the Amherst-Pelham Regional School District Secretary/Treasurer regarding an April 30, 2013 vote of the Amherst-Pelham Regional School Committee authorizing borrowing a sum of \$870,634 for the purposes of: 1. A high school developmental studies classroom remodel, in the amount of \$205,000, 2. High school locker room renovations in the amount of \$261,000, 3. Middle school sidewalk repair in the amount of \$25,000, 4. Middle school tennis court replacement in the amount of \$306,100, 5. High school paint to exterior columns in the amount of \$22,734, 6. Middle school mechanical pump room renovation design in the amount of \$9,500, and 7. Middle school science laboratory design in the amount of \$41,300.
 - Shutesbury pays 8.1% of the total regional budget. Shutesbury's capital budget contribution is only slightly different. The total cost for Shutesbury would be a total of between \$65,000 and \$70,000 plus interest.
 - Member towns' Selectmen must sign for receipt of the notification. The action of the Regional School Committee goes into effect 60 days after the school committee vote unless a member town votes at a special town meeting not to authorize the expenditure.
 - This debt would fit into Shutesbury's debt schedule as \$42,000 to \$46,000 will fall off soon.
 - The interest rate is really low.

Selectmen unanimously voted to sign for receipt of the notice of this Amherst-Pelham Regional School Committee vote to borrow for capital projects.

5. **Sign Chapter 90 project request:**

- Selectmen reviewed Highway Superintendent Tim Hunting's proposed Chapter 90 Environmental Punch List and Project Requests for resurfacing portions of Locks Pond, Wendell and Pratt Corner Roads.

Selectmen unanimously voted to sign the Chapter 90 project request.

6. Victuallers License:

Selectmen reviewed and unanimously voted to sign a Common Victuallers License for William Mick Doing Business As “Bobby’s” to operate food concessions at the Department of Conservation and Recreation Park at Lake Wyola.

7. Sign Franklin Regional Council of Governments (FRCOG)’s Emergency Services Memorandum of Understanding:

Selectmen unanimously voted to sign an agreement by and between the Franklin Regional Council of Governments and the Franklin County Emergency Communication System Oversight Committee and Users of the Franklin County Emergency Communications System for a period of 3 years beginning July 1, 2013.

Topics the Chairman Could Not Reasonably Have Anticipated

1. School related personnel reports: Union 28 Superintendent Joan Wickman has accepted a position in Carlisle MA and will be starting there this summer; there is not yet a new SPED Director for Union 28; the new elementary school Principal’s name is Maureen Ryan; the School Committee has re-elected their representation for the coming year (See May 13 School Committee minutes.)
2. Bruce Hartley is working on getting the signatures for a special event form for this year’s Lake Wyola Road Race.
 - **Selectmen unanimously voted to sign the special event notification form for the June 9, 2013 Lake Wyola Road Race.**
3. **Selectmen unanimously voted to sign a warrant for the June 25, 2013 Special Senate Election.**
4. Prior to the meeting, **Selectmen signed Payroll Warrants totaling \$84,072.74 and Vendor Warrants totaling \$109,575.20.**
- 5.

The Select Board **adjourned at 8:54 P.M.**

Respectfully submitted,

Leslie Bracebridge,
Administrative Secretary