

Selectmen's Meeting Minutes
Monday, January 14, 2019

At the Selectmen's Meeting on Monday, January 14, 2019 the following people were in attendance: Peter Corey, John Tholl, and Stanley Holz participated via conference call.

Steve Agius, Wildlife Refuge Manager, U.S. Fish & Wildlife Service called today and said he had to cancel out tonight as he is on furlough for the federal government. He had asked to be on the agenda to discuss public parking and safety along Hazen Road.

There were 15 members of the public in attendance.

A motion was made by John Tholl to approve the minutes of the December 17, 2018 Selectmen's Meeting. The motion was seconded by Stanley Holz. Roll Call: Peter Corey-Yes; Stanley Holz-Yes; and John Tholl-Yes. All in favor, 3-0. Motion passed.

The Town of Whitefield was accepting bids for three town-owned properties (via Tax Collectors Deed).

Parcel #1 – 38 Brown Street – Tax Map 103/Lot 101 – This is a .23 acre parcel with a building which was destroyed by a fire on the property. The building will be removed from this property by the Town. (The building was removed in December.)

One bid received:

\$2,710 from S&S Property LLC, Shane Morton & Sara Dunn

A motion was made by Stanley Holz to accept the bid in the amount of \$2,710 submitted by S&S Property LLC. The motion was seconded by John Tholl. Roll Call: Peter Corey--Yes; Stanley Holz--Yes; John Tholl--Yes All in favor, 3-0. Motion passed.

Parcel #2 – 29 Melanie Drive – Tax Map 226/Lot 010.4. This is a 6.280 acre land only parcel.
Minimum bid: \$10,000

Four bids received:

\$12,502 from Scotty Cook

\$15,200 from Janet Savage

\$12,500 from Chris Smith

\$12,595 from Robert Donovan

A motion was made by John Tholl to accept the bid in the amount of \$15,200 submitted by Janet Savage. The motion was seconded by Stanley Holz. Roll Call: Peter Corey—Yes; Stanley Holz—Yes; John Tholl—Yes. All in favor, 3-0. Motion passed.

Parcel #3 – Parker Road – Tax Map 228/Lot 012. This is a .23 acre land only parcel. Minimum Bid: \$1,000.

One bid received:

\$1,065 from S&S Property LLC, Shane Morton & Sara Dunn

A motion was made by Stanley Holz to accept the bid in the amount of \$1,065. The motion was seconded by John Tholl. Roll Call: Peter Corey—Yes; Stanley Holz—Yes, John Tholl-Yes. All in favor, 3-0. Motion passed.

The Town of Whitefield applied for and received an Asset Management Grant for the Water Department from the N.H. Department of Environmental Services to fund asset management and financial planning initiatives through a matching grant program.

A motion was made by John Tholl to enter into and approve a grant agreement with the NHDES in the amount of \$20,000 to the Town of Whitefield Water System Asset Management Plan and to authorize Chairman of the Board, Peter Corey, to sign paperwork associated with such grant on behalf of the Town. The motion was seconded by Stanley Holz. Roll Call: Peter Corey—Yes; John Tholl—Yes; Stanley Holz—Yes. All in favor, 3-0. Motion passed.

Peter Corey signed the Grant Agreement and match commitment letter for this grant.

The Board is going to put a Keno article on for town meeting voting. According to NHMA, the question (Shall we allow the operation of Keno games within the Town of Whitefield?) may be voted on at either the business session or the official ballot session of town meeting. The Board decided to put the article on the official ballot which is voted on during the day. The Town must hold a hearing before the question is to be voted on. We have scheduled the hearing for February 11th at 6:30 p.m.

Brian Fogg, Chairman of the Board of Trustees of the Morrison was in attendance to speak with the Board. Peter Corey reminded everyone this is a public meeting, not a public hearing. It is predominantly a discussion between the Morrison board and the Board of Selectmen. If appropriate, we will ask for public comment.

Peter said each non-profit, charitable organization has to apply each year to the Board for property tax exempt status. Most of us were here two years when we made the determination the Summit was in fact eligible for property tax exempt status. They have made payments in lieu of taxes since that time. It is time to have that conversation again. There has been a lot of conversation amongst people in Town. NH state law establishes four requirements that an entity must meet in order to qualify for property tax exemption. One of those is a charitable component.

Peter said that we all want the facility to succeed. We view it as an asset to the community, it provides job, economic vitality, and benefits the businesses in town, with residents and people who come to visit the residents. We fully recognize the benefit of having the facility here. We have to consider all the residents in town. We don't have a lot of business and manufacturing in town so it is the private residents and property owners who bear the brunt of funding the expenses in town and for the school. There is a lot of tension and eyes on the facility and people wondering where is the charitable component.

The Summit well qualifies for three of the components, and we are questioning the charitable component. We are here tonight to hear from the The Summit to see how they qualify for a charitable component and to hear possibly what The Summit is prepared to make for a payment in lieu of taxes.

Stanley Holz said there is no question it is a non-profit and tax exempt status for the IRS. We are dealing with the charitable component which deals with property taxes.

Brian Fogg said he is speaking on behalf of the The Summit as President of the Board of Trustees of the Morrison Nursing Home. He said other members of the staff are here in attendance: Patti Roy, Finance Manager; Shannon Lynch Executive Director of the Summit, Jean Niece, Administrator at Sartwell Place, and John Caron who has recently taken over as Executive Director of The Morrison.

Brian said one of the challenges we have are significant start-up costs with a significant capital outlay and significant debt service to go along with it. We are about 7 months under our belt since we opened the door to any residents. They have been tracking their occupancy and how they conform with their projections. It is important to note the projections call for 70 to 75% of the residents to come from the immediate area. Those 22 zip codes have provided a little over 70% of the 38 residents who are with us today. It appears the trend will continue. The folks that have come out of that zip code area have lived here in the past or have family in the area. The idea and concept of the Summit was so people don't have to leave the area. We want to bring people back. Shannon has a list of various activities that have occurred since they opened, such as hosting public programs from Squam Lakes Wildlife Encounter. Brian is here to say as a start-up and having been here for the last 6-7 months, anything we do is a cash outlay and has not created any positive cash outlays. Anything we pay for the pilot is coming from the cash flows from Morrison right now and to the extent of anything left from the borrowed funds. They have been developing a resident support policy designed to accommodate folks with lesser means in the area, in a 15-mile radius of the facility but to include all of Coos County. That policy requires funding so it would be pretty much a direct subsidy for various residents for various components of the facility. Those subsidies would be a direct charitable contribution.

They are not in a position at this time to begin funding those subsidized units. As the occupancy gets to greater levels, we will be able to fund it and define it better. We are working on a fair way to apply that standard and help the people that program is designed to help. They don't have it all put together yet. They do have in excess of \$100,000 today to feed the fund. They received a large capital gift so we will be able to start looking at how we will provide those subsidies. A year from now we will be in a better position to tell you what we did and not just what we want to do. As a start-up, it is hard to tell you what we did. Brian is asking for the extension of the current pilot until next year when they have a better handle on where they are.

Brian said that at that time they will have a 990 that will be reflective of one full year of operation. The current 990 does not reflect a full year's operation of the Summit.

Brian said that there is millions of dollars of charitable contributions from the Morrison, but we don't have it under our belt for the Summit yet. Then they can determine the progress we made in defining the resident support fund and that concept that will meet the requirements of that third leg of the direct charitable component. When Summit is up and fully running with 83 units and they can meet the obligations of the charitable resident fund, we will have cash flows to stay here in Whitefield to serve Morrison and The Summit. We are hopeful as things go forward the original pro-formas will pan out, and we will be able to support the resident policy. We just purchased a new van and we are looking at utilizing the van in some other aspects, such as transportation of residents in the community to go along with health and welfare programs that

would be gratius and part of the direct charitable operation up there as well. Brian said the current pilot payment of the \$35,000 for the Summit, and they would be prepared to increase the pilot for another year for \$45,000, but given the start-up nature of the conversation we want to have this conversation next year so it would be beneficial to both sides. We don't want to have either of us spend money on legal fees.

We have a budget that goes through June 30th. They would like to pay \$17,500 in June, and he is thinking of the balance of \$27,500 to total \$45,000 in the December payment. We would like to start this process a little bit sooner, sometime in the September range we can have a discussion and that is when they will have some better numbers and knowledge of where we are and how we are applying the resident support fund. Brian said they will need be able to disclose who and how much the resident funds were applied for.

Peter said that we understand the desire for confidentiality, but if it can be spoken as an aggregate it would be helpful. Peter said the Town is governed under the Right to Know Law. Brian said that the aggregate number will be in the 990. We raised over \$100,000 which we intend to spend on the resident fund. Also, residents who move in who live outside the area have to pay a \$2,500 a one-time payment that will go in the resident fund.

Shannon Lynch can quantify some of the activities that have occurred or are planned to occur. Brian said we are looking for any guidance for things that we can do to supplement activities. Brian said they are thinking of a wellness component. Peter said that our Recreation Director will be reaching out as well for the senior program that we do fund and see if we can find a way for the two programs to collaborate that is mutually beneficial.

Shannon Lynch said that their mission is to develop and manage plans for community involvement and activities. We have worked with McIntyre residents and their goal is to not to take away from anything from the community but to add it. We have had weekly wellness classes that residents of the McIntyre have attended. Some of the special events have included: Squam Lakes Science Center, special speakers Rebecca Rule and Suzy Colt, movie nights open to the community, The Whitefield Historical Society supplied some memorabilia that is on display. They are building relations with local home school co-ops, Whitefield Elementary School, and the Whitefield Public Library. Relay for Life is hosting their monthly meetings there through June. They have hosted meetings for: United Way, Routes to Rise, USDA, OAKS, and sponsored Community Day Activities. They are a location for the Whitefield Elementary School as an alternative to their ski program. Their mission is to develop, manage and support services for Seniors and in support of their mission we strive to meet the needs of their residents and the community. The transportation piece will be able to be put out to the community as well.

Brian said our market research study said 70% would come from our primary market area, Coos County as a whole, and we are right on target with that and we hope that continues to be true.

Brian said as a Board we push to bring Morrison residents for as much of the enrichment activities as possible. They are invited and transported up for their events. The integration of the two buildings and campuses is an on-going effort. They have initiated a branding effort. We are

talking about the communities and the Morrison Community. The resources for the Summit are made available every step of the way to the Morrison.

Shannon said that we are just scratching the surface, and in the next year we want to identify what we can do for the community. They are looking for input for activities.

Stanley Holz said he is confused from our point of view dealing with tax exemption for a charitable exemption—what is the difference between public service and a charity? Stan said he is having a hard time with their Mission Statement reflecting the charitable components of the goal.

Kendra Bell is the Treasurer of the Morrison Board of Trustees, and she has pointed out some areas in our mission statement and the 990 that should be beefed up. We have had a lot of irons in the fire. We are looking at revamping the mission statement and revising the 990. Brian said when you look at the Elder Care case, those services would have to be absorbed somehow by the Town, community or county. When there are enrichment services, Brian believes those would qualify as charitable and the resident support fund will be in the hundred of thousands of dollars.

Peter said our authority is based on state law. It is important to remind everyone of what the definition of Charitable is under RSA 72:23-I: The term “charitable” as used to describe a corporation, society or other organization within the scope of this chapter, including RSA 72:23 and 72:23-k, shall mean a corporation, society, or organization established and administered for the purpose of performing, and obligated, by its charter or otherwise, to perform some service of public good or welfare advancing the spiritual, physical, intellectual, social or economic well-being of the general public or a substantial and indefinite segment of the general public that includes residents of the state of New Hampshire, with no pecuniary profit or benefit to its officers or members, or any restrictions which confine its benefits or services to such officers or members, or those of any related organization. The fact that an organization’s activities are not conducted for profit shall not in itself be sufficient to render the organization “charitable” for purposes of this chapter, nor shall the organization’s treatment under the U.S. Internal Revenue Code of 1986, as amended. This section is not intended to abrogate the meaning of “charitable” under the common law of New Hampshire.

Peter said in looking at case law, one of the things that concerns him is some of the case law looked at one of those resident support funds and there was concern with the amount of what was provided to the residents on an annual basis. The court found that \$50,000 was insignificant and did not meet the definition of charity under the law. Peter cautioned that the amount of charity has to be significant. You have to combine it with these other activities and it has to be significant to meet the charitable definition of the law. It has to provide some public good or welfare. Stanley has an issue with the mission statement as it does not clearly state that charity, or public good or welfare, is part of the organization’s mission.

Peter asked Stanley and John what is the Board’s feeling with the continuation of the tax exempt status and PILOT of \$45,000?

Peter said he is not taking public comments or questions at this point.

Jason Call who contracts with the Town to do the assessing said he wonders if it is a little premature. There is an application, BTLA A-9, List of Real Estate on which Exemption is Claimed that has to be completed and filed annually on or before April 15th. Every charitable organization also has to annually file a BTLA A-12, Charitable Organization Financial Statement, which is due before June 1st. Jason thinks it would be worth waiting until this paperwork is received.

Peter said he would like to discuss this with our Town counsel before any decisions are made. John said he fully supports the Summit and feels it does tremendous good for the community and for the public. Stanley said that we are supportive of The Summit, glad they are here, and they fill a need in the community. We are just not quite certain about the charitable component and definitely want to speak with our town attorney and get a better focus on this. The Board agreed that before a decision is made, we want to speak with our Town counsel.

A motion was made by John Tholl to enter into non-public session at 7:20 p.m. pursuant to RSA 91-A:3 II(e) for consideration or negotiation of pending claims or litigation which has been threatened in writing or filed by or against this board or any subdivision thereof, or by or against any member thereof because of his or her membership therein, until the claim or litigation has been fully adjudicated or otherwise settled. The motion was seconded by Stanley Holz. Roll Call: Corey—Yes; Tholl—Yes; Holz—Yes. All in favor, 3-0. Motion passed.

The Board adjourned from non-public session at 8:20 p.m.

The meeting adjourned at 8:20 p.m.

