

SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING
SOUTH HADLEY TOWN HALL
Minutes of the Executive Session of January 23, 2020

Present: Gregory Dubreuil, Chair
John Hine, Vice Chair
Anne Awad, Clerk
Peter McAvoy
Kurt Schenker

Also Present: Sean Fitzgerald

The Executive Session of the Electric Light Board convened at 5:30 PM following an Open Session motion, by John Hine and seconded by Anne Awad, to enter Executive Session by a unanimous roll call vote.

Gregory Dubreuil and John Hine described their process of negotiating salary compensation and contract implications with the General Manager, Sean Fitzgerald. They reviewed the salary of managers of municipal utilities of similar size and scope to South Hadley's. Mr. Fitzgerald's evaluation ranking was above average. He has brought a great deal to the Department. As the leader of a small utility, he has to perform many specialized tasks that would be covered by staff in larger utilities (build the fiber team, market the new product, build the business, oversee operations of the electric delivery, maintain all required rules, regulations, and policies that affect the utility). Last year we extended his contract to 2025 to see through the development of the fiber business. Mr. Hine and Mr. Dubreuil recommended a new salary base of \$176,835, with a \$10,000 bonus to recognize his excellent work, and to extend the contract to an additional year of 2026. The Board retains the right to terminate for cause.

Noted was that the Town wants to move the employer/employee insurance share from 50/50 to 60/40 (the employee paying the larger share).

Real Estate Options: Mr. Fitzgerald presented an update and new developments on the search for a location for a new facility. We began site selection in 2019 and have engaged a commercial real estate agent named David Moore, who has an excellent reputation. Three properties in the Falls neighborhood were vetted:

1. Flower Shop: This option would require considerable engineering and earth removal. It has 2 single family homes which would require that tenants be relocated, and the homes demolished. The price would be between \$800,000-\$1,000,000.
2. Funeral Home: This option has considerable wetlands in the middle and a steep slope. Combining the adjoining property with Insurance neighbor would be ideal. Both owners indicated an initial asking price of \$1,000,000 for each property.
3. Insurance Property: (see #2).

A mill site in the Falls was also investigated. This would require at least \$1,000,000 to demolish the existing mill building (which could be full of potentially hazardous materials land that is still in the flood zone). We investigated the parking lot in front of a mill site but found that it is too small for our needs (per analysis by an engineering firm). A third site is the land adjacent to another mill in the Falls. Mike Sullivan and Sean Fitzgerald met with the CEO and learned that they are interested in buying that land and but have yet to gain necessary engagement with the with the new servicer. Mill owner indicated there could be potential for our location on the site if it they were able to acquire the land necessary and have enough additional land available

A construction company was engaged by SHELD's realtor, and they are potentially interested in selling a location, but it is estimated are that they would likely ask for \$1,000,000 or more for the property.

A recent development brought an opportunity on Route 202. This would be 30 acres. The land is for sale and they have an offer. The owner is eager to sell the property and has indicated that they would give us until 1/24/2020 to provide our intent to purchase as we contacted them first. The asking price is \$120,000, and it likely has some wetlands. We believe there is enough land to accommodate our needs. The Board reviewed maps and it was noted that several adjoining parcels could be available.

John Hine moved, and Anne Awad seconded a motion, to authorize the General Manager, Sean Fitzgerald, to act to purchase this parcel and possible adjoining parcels, with a maximum authorized amount of \$500,000 total for all three parcels. The motion passed unanimously by a roll call vote. It was the intention of the Board to obtain the 30-acre parcel, at a minimum, for the asking price of \$120,000.

John Hine moved, and Anne Awad seconded a motion, to adjourn the Executive Session and return to Open Session. The motion passed unanimously by a roll call vote. The Executive Session ended at 6:02 PM.


Anne Awad, Clerk

Approved: February 27, 2020