

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS EXECUTIVE SESSION MEETING
SHELD CONFERENCE ROOM, 85 MAIN STREET
FEBRUARY 12, 2020 AT 5:02 P.M.**

Present for Board: Chair Gregory Dubreuil, Vice Chair John Hine, Peter McAvoy, Kurt Schenker

Absent: Anne Awad

Also present: SHELD General Manager Sean Fitzgerald

The Executive Session to discuss competitive negotiations regarding real estate was called to order by Chair Gregory Dubreuil at 5:02 P.M. following a unanimous roll call vote in Open Session. Mr. Dubreuil stated that the sole purpose of the meeting was to discuss a second potential acquisition of real estate and he then turned the floor over to Mr. Fitzgerald.

Mr. Fitzgerald notified the Board that the purchase & sale agreement for the purchase of parcel 29 on Granby Road for \$120,000 has been executed by both parties. Mr. Fitzgerald said that our consultant has approached the owner of parcel 46 which is adjacent to parcel 29 and the owner is willing to sell the property. He said the acquisition of the second parcel would put us in a very favorable position strategically should we have any potential wetland issues on parcel 29 and would give us substantial frontage on Granby Road to keep the facility close to the street. Mr. Fitzgerald said the current owner purchased parcel 46 late in 2018 for approximately \$510,000 and he has since done some gutting of the building, installed insulation and a concrete loading dock. Mr. Fitzgerald noted the property is both assessed and appraised at \$536,200.

Some discussion ensued relative to the price of parcel 46 compared to parcel 29 and the commitment of investing the higher amount. It was agreed that the two parcels collectively would in all likelihood retain a value greater than the combined purchase price of the two should SHELD ultimately decide not to pursue the construction of a new facility on the site. There was discussion relative to where the funds would come from for the second parcel and what impact that may have on SHELD financially given the current fiber and upcoming AMI projects. Mr. Fitzgerald said the funds could come from the Depreciation Fund which currently stands at approximately \$6 million. There was also discussion of the availability of pooled tax-exempt financing through MMWEC once we are ready to proceed with a new facility. It was noted that the incurrence of debt has been contemplated as the funding source for a new facility through the due diligence phase of the capital projects currently underway.

On a motion by Mr. Hine and seconded by Mr. McAvoy, it was unanimously
VOTED: To authorize the General Manager to enter into a purchase and sale agreement
not to exceed \$600,000 for parcel 46.

By a roll call vote; Schenker-aye, McAvoy-aye, Hine-aye, Dubreuil-aye.

Adjourn

On a motion by Mr. Hine and seconded by Mr. Schenker, it was unanimously
VOTED: To adjourn the Executive Session.

By a roll call vote; Schenker-aye, McAvoy-aye, Hine-aye, Dubreuil-aye.

The Executive Session ended at 5:43 PM.


Anne Awad, Clerk

Approved: April 23, 2020