Town of Swanzey, New Hampshire
Board of Selectmen
Meeting – January 14, 2026
Whitcomb Hall
17 Main Street, Swanzey, NH

CALL TO ORDER

The meeting was called to order by Chair W. William Hutwelker III, at 5:33 pm. at Whitcomb Hall, Main Street, Swanzey, NH. Other members present were Selectmen James Tempesta and Mark LaBelle. Also present were Town Administrator Lori Rautiola and Recording Secretary Susan Ells.

OTHERS PRESENT

Kai Kraemer with FACT TV, Donna Lane from CDBG Consulting, Michael York, Jay Ward, Jim Jarzabek, Adam Paquette, Kyle Croteau, Sarah Croteau, Cathy Bergstrom, Ann Heffernon, Richard Lane, Alan Gross, Sheila Heffernon, Mark and Vicki Scalera, Paul Cully, Tony Regonini, Jack Franks, Avery Franks, Victoria and Mark Ames, Liz and John Traynor, Michael Ryan, Lisa Ryan, Jeff Lapid, Cheri Domina, Jeanne Thieme, Michael Thieme

Chair Hutwelker reported that at the meeting the night before, he had incorrectly stated that the Town was considering enrolling in the emergency alert system; in fact, the Town had signed up in the Fall of 2024, but the State didn't allow the Town to send a test notice. They are planning to have sign-ups at various meetings and locations so that residents can opt in to the service.

OLD BUSINESS

A. 2026 Budget Follow Up – As needed

Chair Hutwelker welcomed input from public who were at the budget hearing the night before. The Board commended the Town Administrator, Lori Rautiola, on her budget presentation. Chair Hutwelker explained one change noted at the meeting the night before is that for the first time, the residents will have the ability to review the zoning amendments at the deliberative session. No changes can be made, but the amendments can be discussed. The Board made recommendations for improvements to the PowerPoint presentation in advance of the Deliberative Session.

Chair Hutwelker recessed the meeting at 5:45pm until the start of the Public Hearing.

Chair Hutwelker reopened the meeting at 6:00pm; he recused himself from the meeting and turned the meeting over to Jim Tempesta as Chair. Tempesta asked the members of the public to sign in and explained the protocols for the meeting which were to keep it civil, stay focused on the grant and not get off topic, and not ask repetitive questions. He explained that at the previous hearing, Mark LaBelle and he both felt there were too many questions to be able to make an informed decision.

Donna Lane, Avanru's consultant for CDBG Consulting, was invited to answer some of the questions.

Public Hearings – 6:00 p.m.

A. Proposed Plane View Senior Housing Project CDBG Application

Donna Lane explained the purpose of her appearance and the job she does to get CDBG funds for towns like Swanzey. Towns can apply for funds for various projects that benefit low to moderate income households. She reviewed the handouts she had supplied to answer the questions that had been raised at the previous hearing. She read the handout. She explained this grant would provide $500,000 who would then loan $470,000 to the developer of the senior housing. The Town would receive $30,000 to cover any costs associated with hiring a third-party administrator consultant. At the end of the term, which could be up to 30 years, the money would be returned to the Town to use for other CDBG eligible projects.

Tempesta asked if there was anyone present who had asked those original questions if they had follow-up questions.

Jay Ward thanked Donna for her presentation; he said he knows the project is going to happen; he said the Town is receptive to the senior housing but wanted clarification on these funds being used by for-profit companies and questioned if this company is certified to receive CDBG? Donna said that the company is certified and, in the State of NH, for-profit companies are allowed to use the grants and what is important to CDBG is the beneficiary of the grant which is the low-middle income seniors. She added there is a partnership between the developer and the other entity, in this case the Town. She said that the funds can be used for acquisition or construction. Ward said he believes the project is beneficial to the Town but presumes it would be completed without the grant and asked if the grant was necessary to complete the project. Jack Franks explained the funding and said it would be difficult to complete it without the grant. Ward asked if the developer was the person responsible for the construction of the project. Donna stated she was not exactly sure. Rautiola explained the Town would be receiving the funds and the funds would be distributed to the sub recipient which is the developer. Donna stated the funds can be used for acquisition or construction, but she preferred to use it for acquisition, adding if used for construction there is more effort for everyone involved, adding if used for acquisition, one check could be issued versus several issued for construction bills/costs.

Ward asked if the grant would be necessary for this project to happen. Mr. Franks explained there are multiple funding options and the money "stays here". He gave an overview of funding stacks that are going to be put into the community. He explained the CDBG funds would only be a portion of the four other areas of funding the project would have. Ward reiterated his question: would these funds be necessary for the project to move forward. Mr. Franks stated it would be difficult to build the project without the 500,000 in funding.

Ward asked if the funding would be paid back in 30 years. Donna responded the loan would not be paid in installments but at the end of the term, which is generally 30 years, adding it has not been determined yet. She added CDBG holds the lien on the property. Mr. Franks explained the process that after 15 years if the project is refinanced such as for a remodel, or the development is sold to market, they would pay off the loan.

Jay Ward referred to the HUD website where he found a statement saying it is important for the two parties to have a good working relationship based on trust and respect. Ward asked the Board to consider whether the Board was confident and had enough trust with the developer; Tempesta responded, stating he did not feel confident in that level of trust. He questioned why there was no pre-application meeting and how the Board arrived at a Public Hearing, adding it seemed rushed.

Donna stated that generally comes when you've decided to move forward. He would have appreciated being educated prior to jumping into a hearing. Tempesta added he is still concerned about the added workload this might cause the Finance department. He questioned the level of risk to the Town; she reminded him that there would be a lien on the property and that would be the Town's security.

Victoria Ames questioned the Board and asked them to consider knowing the project is already approved; understanding that Avanru has already purchased the property and will be selling it to the LLC; will there be profit? She also questioned what are the rental rates being compared with – is it with affordable senior housing? She did not know if we were comparing apples to apples. Her biggest concern is that the deadline being the end of month; we've been working with the developer for many years – why is the request so late, and under such pressure of the deadline? She stated it appeared disingenuous, adding it will require a lot of human resources. She stated she is also very concerned about the topic of risk, adding that we just heard that in order for this project to be built to standards – it needs the funding, adding it seems the finances for the project are precarious, adding it makes her anxious knowing that the Town may have to come in and mop up the mess should a lien be placed on the property. Victoria continued, stating if this funding was needed at the offset, why is the Town now

just being approached? She also added she would like the Board to be confident in making this decision from a financial standpoint and stated she was hoping that the funding might be able to be used to cover the Town's legal cost but stated it turns out they could not use funds to cover legal fees. She asked the Board to consider these questions when deliberating.

Michael York asked if in 30 years the builder can sell it to market. Mr. Franks said it is senior housing in perpetuity. York asked if the project didn't get completed, would the Town have to pay back the money. Mr. Franks said the project is 100% bonded, and there is no risk of it not being completed. CBDG has never seen a project that failed. He explained the reason for the short time frame was due to a timeline that was required by NH Housing Authority. York stated he wanted to be sure the Board knows it would be the Town's responsibility to make sure the project is done.

Vicki Scalera said she does not belittle the need for affordable housing; she wants to be sure there is a market for affordable housing. Currently, the tax on the property is $5k; it's been stated that the projected taxes would be $100,000 once built; she wondered if the taxes are reduced because it is low income? Mr. Franks explained that the taxes are commensurate with the rents that are paid; the formula is set by the State; the tenant gets the savings in lower rent. He stated he was not getting subsidies. Vicki said she understood the developer isn't getting a tax break, but she feels the Town is getting less tax money. She asked if Donna is an example of the consultant that would be hired with the $30K? She asked about the audit that Donna mentioned, does the $30K cover the audit. Rautiola said the audit would take time from the Finance department and the Town's auditor, adding the Town may be able to be reimbursed if they logged the time. Vicki asked for clarification that the money that is returned to the Town must be spent on CDBG-eligible projects and Donna explained there are a lot of projects in most Towns to use the money, such as sidewalks, water lines, senior center, day care, roads, etc.

Mark Scalera said this project needs to show substantial progress by May 10 and that they are already on a 1-year extension; if the Town accepts the bond, does that change the deadline? Donna said the Planning Board requirement still must be followed, she doesn't know the Town's Planning Board definition is. Adam Paquette, Town Planner, said the Code enforcement officer will visit the property; it's on a case-by-case basis. The regulation doesn't have set guidelines; when Mr. Franks feels he has made progress, the code enforcement officer will visit the site.

Sheila Heffernon had a follow up question; she is very concerned about the risk; that 'substantial is not defined'. There was a discussion on the Town's definition of vesting. Paquette said generally it is when the construction begins. Mr. Franks said currently Swanzey doesn't have a vesting schedule. Starting April 15th they will be getting permits for parking lots, etc. while working through financing; the CBDG money isn't available until July. Sheila reiterated Victoria Ames' concerns regarding the financial plan of the project, adding that before construction starts on any building project the funding needs to be in place first. Paquette noted the Planning Board looks at these projects on a case-by-case basis, however, the Planning Board is working to resolve this and to clarify terminology in the regulations. Sheila reiterated that the figures that are being used are not accurate to our Town. There is not a zero % vacancy. Mr. Franks said they have done market studies six times; there is a 7-year waiting list in Cheshire County for senior housing and that he would be happy to send the study to the Board. The demand is overwhelming. Mr. Franks continued, stating they are taking 10-15 calls/week at Swanzey West regarding this new project and that 2500 people in Swanzey are over the age of 62.

Jeffrey Lapid approached but said he just had his question answered.

Jay Ward doesn't dispute this would be a benefit to the Town. Tempesta agreed.

John Traynor said his question is right now there is a need for senior housing because of the baby boomer generation. The next generation won't have much need after 15 years so what will be done in 15 years. Mr.

Franks said NH is the 2nd oldest state with aging people. He thinks this will be 35 to 40-year problem. Also, people are living longer. This is data driven from market studies. Traynor disagreed, stating that he didn't think there would be as much of a need.

Mark Fiedler offered a story about what was right and what was wrong and felt this decision was in the 'gray area'. He added, Mr. Franks is asking for $500,000 to build the place. At the end of 20 - 30 years, we will be assuming we will get the money back; but it would need to go to another project; Fiedler stated it should go back to the taxpayers. He doesn't buy the statistics being recited. Mr. Franks said if the partnership decided to refinance after 15 years, since the money is a mortgage instrument, it would be paid back. Donna said the money could be given back to CDBG if the Town didn't want to spend it on a project.

Mark Scalera asked if the Town gets the grant, would it be better used elsewhere. Donna said the Town could ask for $500,000 again in July for another project.

Kyle Croteau asked if the $500,000 loan goes out, what if unforeseen happens, like bankruptcy, is the Town on the hook? And what happens in 30 years if the money doesn't come back? Donna said there is a lien on the property for the loan; CDBG would be repaid but the Town would not be on the hook.

Mr. Franks said the developer is monitored so the project is completed; if there is a problem, the developer will be removed, but the project will continue. If any mistakes are made, there are provisions for the State housing authority to take over to see it through. He continued adding no project has failed, and that in 30 years, the project will have equity.

Jay Ward asked for clarification as to whether there is no interest paid on the loan; $470,000 is what would be paid back and that was confirmed. He also asked if 100% of the occupants will have an income below 60% and not an average. Mr. Franks said HUD recently published guidelines for income averaging, but they have no plans for that.

Vicki Scalera asked if the funds could get paid back early and Donna stated they could be.

Bill Hutwelker stated he was thrilled to see how many people came to the hearing. Mark LaBelle reminded the audience that Mr. Hutwelker was not speaking as a Selectman but as a resident. Bill proceeded, stating that it was correct and that he spoke with an attorney and was advised to disclose that Avanru Development is a client, and they have property in another community under agreement; he has not discussed the application with the other selectmen. He continued, adding he has had conversations with Donna Lane and Jack Franks but not with the Board. He reiterated his attorney told him to indicate he was speaking as a resident not a Selectman. He stated he did not understand that this would be a lien to the Town of Swanzey; he thought the funds were funneled through the Town, he didn't understand the Town was loaning the money. Donna said the grant is to the Town, and those funds are loaned for the project. He addressed his interpretation of vesting and that site work is considered vested.

Hutwelker stated his concern as a taxpayer is that the Town has supported CDBG projects in the past and if they do not support this project what opportunity is there in the future for another party to approach the Board and request funding. He added that the Town has supported and benefited in this type of funding in the past such as the sewer and water at Page Homestead through a CBDG grant with the County. If this is denied, what are the chances of getting the opportunity again. It's important to follow criteria to serve what is best for the Town. He added it may not be the most popular decision, but he encouraged the Board to vote on what was best for the Town. He said the Town's Attorney said it was clear that it is not a democracy; the Board needs to follow the criteria and make the decision that is right for the Town. He stated he is not telling the Board what to do but that their decision will have long range implications for future development in Town.

LaBelle made a motion to close the public hearing. Tempesta seconded; the motion passed unanimously. The public hearing closed at 7:28pm.

Tempesta stated he made a promise to the voters who put him in this seat as Selectmen. He said he had to remember that his job is to protect the Town of Swanzey and that we shouldn't allow certain risks. He's concerned about the Finance department and doesn't want to add extra work to the departments that are already overloaded. He stated he was weighing his decision on the demand this project would put on the already stressed Finance Department. He stated he was unsure what amount of work this project would entail and the amount of work this would demand for the Town Staff. He asked Selectman LaBelle to weigh in.

LaBelle said that from the beginning it felt rushed. He also agreed with Selectman Tempesta that nothing was discussed prior to and then all the sudden we are at a Public Hearing. LaBelle added he agrees that the Finance Department is pushed; his concern is if they must handle the loan, what else would suffer if the Town has to keep an eye on what may have to happen with the grant money and what else is going to suffer within the rest of the Town.

Tempesta mentioned Victoria Ame's point regarding the funding for the project. He stated he was concerned about how important this $500,000 is and stated it should have been brought up sooner. Mr. Franks attempted to speak but was reminded the public hearing was closed. Tempesta apologized and explained it was his first public hearing. He stated he wants to be honest and do what is best for the Town. He brought up Hutwelker's point regarding the future, and added he wasn't sure that point was accurate. The reason behind his decision was that he was afraid to put anything else on the Town at this time.

LaBelle made a motion to not accept the grant; Tempesta seconded; with no further discussion the motion passed 2-0.

Mr. Franks stated how sad it was that all were against affordable housing and that the project would be built one way or another. He continued loudly stating "you should all be ashamed of yourselves." Before exiting the room, he turned to the Board and stated he was extremely disappointed in the Board for not understanding the importance of the project. The audience erupted and there were words back and forth by the audience and Mr. Franks. Tempesta called the audience back in to sit down. Tempesta called for a 5-minute recess and asked all to remain calm.

Tempesta called the meeting back to order at 7:46pm

PUBLIC INPUT

Hutwelker returned to the Board and asked for public input:

Mark Scalera expressed concern regarding vegetation in Wilson Pond. He would like the Board to see the pond in May and then again mid-September to see what the pond looks like then. The northern end especially gets so full of vegetation that kayaks can't get in there; it has become worse in the last year. His boat is used for water testing; getting to that area is nearly impossible. He is requesting the Town work on getting a grant for a watershed program study like what was done for Swanzey Lake. It is a multi-year process, and every year of delay will make it worse. Hutwelker asked for more information about the grant; Scalera said the Wilson Pond Association can't apply so the Town would need to. Rautiola said she would investigate to see if the association could do the work. Ward suggested contacting Jeff Lapid who was instrumental in the Swanzey lake project.

Lisa Ryan asked about the seeding trucks she witnessed take out water and put seeds in their truck which fall into the water. She wondered what kind of restrictions there are; Jay Ward said he brought a draft ordinance to the Board, but it needs to be rewritten because it needs to be able to be enforced. Ward said it is not an official

Fish and Game boat launch, so they won't enforce it. Hutwelker suggested that after the election, Scalera schedule a visit with the Board.

NON-PUBLIC SESSIONS

Non-public session(s) per RSA 91-A:3, II *(a) the dismissal, promotion, or compensation of any public employee or the disciplining of such employee.*

A motion was made by LaBelle to enter a non-public session pursuant to RSA 91-A:3, II (a) which was seconded by Tempesta. All were in favor by Roll Call and the motion passed. The Board entered the non-public session at 8:01pm. Present were W. William Hutwelker III, James Tempesta and Mark LaBelle. Also present were Town Administrator Lori Rautiola and Recording Secretary Susan Ells.

A motion was made by LaBelle to come out of the non-public session, seconded by Tempesta. All were in favor by Roll Call and the motion passed. The Non-public session ended at 8:12pm.

Non-public session(s) per RSA 91-A:3, II (c) Matters which, if discussed in public, would likely affect adversely the reputation of a person

A motion was made by LaBelle to enter a non-public session pursuant to RSA 91-A:3, II (c) which was seconded by Tempesta. All were in favor by Roll Call and the **motion passed.** The Board entered the non-public session at 8:13pm. Present were W. William Hutwelker III, James Tempesta and Mark LaBelle. Also present were Town Administrator Lori Rautiola and Recording Secretary Susan Ells.

A motion was made by LaBelle to come out of the non-public session, seconded by Tempesta. All were in favor by Roll Call and the **motion passed.** The Non-public session ended at 8:20pm.

A motion was made by LaBelle to seal the minutes because divulgence of the information likely would affect adversely the reputation of a person other than a member of this Board; **Tempesta seconded the motion, and it passed 3-0.**

ADJOURNMENT

A motion was made by LaBelle to adjourn the meeting; **Tempesta seconded** the motion, and it **passed 3-0.**

Adjournment occurred at 8:28pm.

Respectfully Submitted,

Susan Ells, Recording Secretary

Approved on January 20, 2026