

**HAMPTON BOARD OF SELECTMEN
SELECTMEN'S MEETING ROOM
NOVEMBER 19, 2007 – 7:00 PM**

PRESENT: Ben Moore, Chairman
Bill Lally, Vice Chairman
James Workman
Virginia Bridle-Russell
Rick Griffin
Fred Welch, Town Manager
Maureen Duffy, Administrative Assistant

REGRETS:

The Board of Selectmen met in a non-meeting with Town Counsel at 6:45 p.m.

Chairman Moore called the meeting to order at 7:00 p.m. and introduced those in attendance.

PUBLIC HEARING

1. **A proposed application to the Community Development Finance Authority for up to \$500,000 in Community Development Block Grant funds. Of the funds, \$17,000 will be retained by the Town for CDBG administration costs and \$483,000 will be subgranted to Coastal Economic Development Corporation (CEDC). CEDC will retain \$8,000 for delivery and service fees and loan \$475,000 to Foss Manufacturing Company, LLC (Foss). Foss will use the loan proceeds to purchase equipment (the so-called J-Line), which will allow the company to more efficiently produce its environmentally-friendly Ecospun non-woven material. In total, this is a \$1,500,000 project. As a result of this project, Foss will create an additional 25 jobs, of which at least 60% will be available to persons of low and moderate income.**

Donna Lane from the Coastal Economic Development Corporation (CEDC) addressed the Board. She explained that funds are available to municipalities for economic development as well as for public facility and housing rehabilitation projects. Jobs created at Foss as a result of the grant funds will be available to people of lower to moderate incomes.

Daniel Gray, Managing Director of the CEDC, Robert Jones and Shelia Craig from CEDC were also in attendance.

The Chief Financial Officer of Foss Manufacturing, Paul Koroski has worked for the company since Alinian Capital Group acquired Foss Manufacturing in 2006. Since the take over, the company has created Ecospun, a fiber created from recycled plastic. The fiber can be used to make indoor/outdoor carpet, liner for the interior of vehicles, and seat covers. Foss is also exploring opportunities with filtration and the medical field. The funds from the grant will be used to finance a needle punch line that will allow the company to do multiple products and expand manufacturing operations over a period of time.

Mr. Gray pointed out that Foss was in financial despair a year ago before Alinian took over. At the time of the purchase, Foss had 320 employees, now there are 485. Within a year the company has become more stable and has focused on new developments creating optimism for a sustainable future.

Arthur Moody (3 Thomsen Road) reminded the Board of Selectmen that the last two times the Town was involved in a grant/loan program, it was a disaster for the economic development committee involved. According to Mr. Moody, one of the members ended up in prison. The second project involved a specialty shoe company that was uncooperative with fulfilling their obligation in job training. The State directed the Town to conduct an audit in addition to the loan and it cost Hampton taxpayers \$1,100. Mr. Moody expressed his concern about Foss's unstable financial status and asked if the company would have to pay their property tax since they would be considered state property during the term of the loan. Mr. Moody then asked where the money is paid back to. Chairman Moore explained that it is returned to the New Hampshire Community Development Finance Authority. Mr. Moody said that there is no guarantee that the jobs created would be for Hampton residents. Mr. Moody asked if the \$17,000 that the Town retains will pay for the plans. Mr. Moore noted that the plans are drafted and that most of the \$17,000 will be paid out for a consultant (\$13,000) to monitor the process. Mr. Moody said that a Town meeting has not authorized the plans or the Board to support the proposal.

Mr. Gray explained that the loan would be paid back to the CEDC and then borrowed by other organizations with projects in the region. He also explained that the CEDC would have a lien on the asset, not the property. Mr. Gray is not completely familiar with the history of the money that was lent over 10 years ago by a different funding agency. Regarding the individual who went to prison, Mr. Gray pointed out that they were from a different organization. He also mentioned that the CEDC is audited every year.

Ms. Lane noted that a mechanism has been put in place to cover the costs of audits for projects such as the proposed.

Michael Pierce (16 Hedman Avenue) asked if the Town is legally bound to recoup any money if the project fails. In addition, he asked if the CEDC has a license to operate within New Hampshire. Mr. Gray explained that CEDC is a New Hampshire 501C3 non-profit organization. He also noted that it would be the CEDC's legal obligation (not the Town) with any issues that arise. Ms. Lane indicated that within the contract the money is granted to the Town, which sub-grants to the CEDC to loan to businesses. The Town is obligated to CEDC to make an attempt to recoup the funds if there is default on the loan.

Chairman Moore closed the first public hearing.

2. The Town's Housing and Community Development Plan.

Chairman Moore opened the public hearing on the Housing and Community Development Plan.

Mr. Moore read the Housing and Community Development Plan adopted on November 19, 2007. The Town of Hampton commits to the following goals to meet its Housing and Community Development needs:

Goal: Encourage a varied stock of safe, sanitary, decent and affordable housing for persons of all age and income groups. (Short-term and Long-term goal).

Goal: Encourage economic development activities to increase quality industrial and commercial development. Encourage the expansion and retention of employment opportunities for residents. (Short-term and long-term goal)

Goal: Encourage municipal and private water and wastewater systems that are safe, sanitary and that meet DES regulations. (Short-term and Long-term goal)

Goal: Preserve and promote the town's historically and culturally significant structures. (Short-term and Long-term goal)

Goal: Promote activities that protect the health and safety of residents and visitors. (Short-term and Long-term goal).

Short-term: within the next three years

As a matter of policy, Hampton will minimize the involuntary displacement of households from their neighborhoods.

Arthur Moody questioned if the Selectmen had the authority to pledge to a housing and community plan. Chairman Moore said that the Board is seeking input to determine if this is a Selectmen or Town meeting matter. Mr. Moody noted that a past Town meeting has turned down a housing authority.

Mr. Moody commented on the second goal that pertains to "...increase quality industrial and commercial development...". He pointed out that Hampton does not permit heavy industry under the Zoning Ordinance so he suggested that the word "light" be placed before industrial.

Mr. Welch pointed out that the federal Housing and Community Development Act enacted in 1974 requires municipal governments to authorize the issuance of CDGB grants. Article 24 of the 1994 warrant vested the authority to the Board of Selectmen to apply for, receive, accept and expend federal and state grants. The results of the vote indicates to the Town Manager that the Selectmen do indeed have the authority to adopt the housing and community development plan.

Mr. Moody mentioned that the conditions of the HUD program are apparently related to the second and third public hearing. Citizens at the town meeting were never told that the Town would be required to adopt these two plans in order to accept grants. Mr. Moore noted that many grants have conditions prior to acceptance. Mr. Moody questioned what these two items had to do with carrying out the grant.

Mr. Welch noted that federal law requires the Town to accept this grant along with the housing and community development plan as well as the displacement and relocation certification plan.

Mr. Moody clarified that the federal law was enacted in 1974 as amended subsequently. As former Selectmen during that time, Mr. Moody does not recall a public hearing or signing papers. Mr. Welch mentioned that the Board must have violated the federal law at that time.

Chairman Moore closed the public hearing.

3. The Town's Residential Anti-displacement and Relocation Assistance Plan.

Chairman Moore noted that if the Town were to undertake a CDBG project which involved displacement or relocation they would follow this plan. The plan outlines the measures they would take to find comparable, suitable housing for persons (or businesses) displaced or relocated.

Ms. Lane noted that this Plan must be adopted when applying for CDBG funds. If anyone is displaced then the Town will have to follow the Uniform Displacement Act.

There were no further comments. Chairman Moore closed the public hearing.

Mr. Griffin recently toured Foss Manufacturing and was very impressed with the operation. He is pleased to see environmentally friendly projects such as Ecospun and believes that Hampton is lucky to have Foss.

Mr. Lally thinks it is unfair to base former bad acts and criminal behavior in the past to people who are working for economic development organizations today. Mr. Lally said that Foss has been a good neighbor in Hampton and they employ a number of people. He also noted that it does not matter if the jobs go to people who live outside of Hampton.

Mrs. Bridle-Russell mentioned that it is the Selectmen's responsibility to support local businesses, especially when they are developing innovative products made out of recycled materials. She believes that the project is perfect and needs the Selectmen's support.

Mr. Workman said that Foss is a good neighbor and that the Selectmen should do everything they can to help.

Mr. Griffin MOTIONED to adopt the Housing and Community Development Plan. **Mr. Lally SECONDED.**
VOTE: UNANIMOUS FOR

Mr. Griffin MOTIONED to adopt the Town's Residential Anti-displacement and Relocation Assistance Plan. **Mr. Lally SECONDED.**
VOTE: UNANIMOUS FOR

Mr. Griffin MOTIONED to approve the submission of the application and to authorize the Town Manager or Chairman of the Board to sign and submit the application. Upon approval of the CDGB grant the Town Manager or Chairman are authorized to sign the contract. **Mr. Lally SECONDED.**
VOTE: UNANIMOUS FOR

SALUTE TO THE FLAG

I. ANNOUNCEMENTS AND COMMUNITY CALENDAR

Mr. Workman wished Hampton residents a safe and happy Thanksgiving.

Mr. Griffin mentioned that Jane Kelly is stepping down as Hampton's State Representative as of today.

Chairman Moore wished everyone a happy Thanksgiving.

II. APPOINTMENTS

1. FINANCE DIRECTOR MICHAEL SCHWOTZER – UPDATE

Finance Director Michael Schwotzer believes that the total income for the year will be 97 – 98% of the budgeted level. The Director provided an expense summary with the year to date expenses by department. At the end of October the operating departments (without debt service) were 2.96% or \$635,000 below budget. The majority of the departments are below the 83% level and do not have any major issues. There are a few departments that “appear” to be over budget due to the booking of the grant and April storm costs. At the end of the year, the auditors will increase the budget in an amount equal to the money received from grant agencies which cover these expenditures.

Mr. Schwotzer noted that in October \$2M in Tax Anticipation Notes was borrowed. Once tax revenues are collected these will be paid off with the accompanying interest expense.

The Finance Director discussed the 2006 encumbered purchase orders (PO) that still remain open. Most should be liquidated by the end of the month. He also talked about setting a policy to reduce the period of time PO's stay open (possibly 90 days) to make it more manageable.

2. SENATOR MARTHA FULLER-CLARK – LEGISLATIVE UPDATE

Senator Martha Fuller-Clark represents Hampton and seven other communities along the seacoast (District 24). She has come before the Selectmen to give an update on the key issues at the Senate level.

Senator Fuller-Clark has been busy addressing issues such as education and the New Hampshire Retirement System. She noted that these are difficult subjects that require a lot of effort and cannot be resolved immediately.

The Senator has also been working on funding for the NH Department of Transportation (DOT). She noted the complexity of the DOT and federal funding cuts. Senator Fuller-Clark also discussed the many bridge projects that require repair in the seacoast area.

The Senate is also working on the subject of general transportation. The lack of public transportation is a major issue for many senior residents that no longer drive.

With regard to health insurance for families and for small businesses, the state along with the federal government has been working on affordable programs such as NH Healthy Kids. Insurance programs for post secondary students are also being worked on to make certain that full and part-time students are covered.

Senator Fuller-Clark discussed the district courthouse and is pleased that NH Representative Nancy Stiles has spearheaded the project. She is hopeful that a suitable location will be found.

Recently a Hampton resident has contracted EEE. Senator Fuller-Clark has spoke to the Health Department and they do not believe there is a health threat at this time due to the winter like weather.

Senator Fuller-Clark is happy to entertain any issues and encouraged the Selectmen to contact her with any concerns that she may be able to help with.

III. MINUTES – NOVEMBER 5, 2007

The November 5, 2007 minutes stand approved as distributed.

IV. OLD BUSINESS

1. TOWN MANAGER'S REPORT

Mr. Welch reminded residents about the Children's Holiday Carnival to be held December 1st from 1:30 p.m. to 3:30 p.m. Residents are encouraged to contact the Recreation & Parks Department for further information.

The annual Christmas Tree Lighting Ceremony will be held on Friday, November 30th at the gazebo on Lafayette Road beginning at 6:30 PM. Following the ceremony there will be music and caroling along with hayrides.

Residents interested in participating in the holiday light decorating contest should contact the Recreation Department to be added to the list before the December 14 deadline. Judging will be on December 19th (snow date of December 20th).

A contract for the analysis of the Church Street Sewer Pumping Station was awarded to the low bidder Wright-Pierce Engineers in the sum of \$15,000.

A contract for the printing of the Annual Town Report was awarded to Kase Printing of Hudson, NH as the lowest bidder to meet all of the Town's requirements. The cost is \$5,798 plus \$0.0210 per page if the size of the report exceeds 196 pages.

2. WORKERS COMPENSATION AND PROPERTY LIABILITY PROGRAMS

Finance Director Schwotzer discussed the LGC Workers Compensation and Property Liability Programs.

Mr. Workman asked if the LGC is the only option. Mr. Schwotzer noted that there are a few others but did not believe the town would get a better deal. He also mentioned the other services that the LGC provides such as legal advice.

The item will be a consent agenda item once the Town Attorney has reviewed the three year agreement.

3. BIKE PATH WARRANT ARTICLE

Town Manager Welch reported that the amount required to cover the costs of procurement, engineering, design and construction work associated with the proposed bike path would be \$752,000. The Town's portion would be \$150,400 from property taxes to fund the 20% share of the Town's portion of the authorized work and to accept a CMQA grant of \$601,600 for the 80% balance.

Chairman Moore inquired if the Town would lose the parking spaces along High Street. Mr. Welch believes that the spots would have to be removed. He has yet to see a detailed engineering map of the project.

The item will be deferred until December 3.

4. DEDICATION OF TOWN REPORT

It was the consensus of the Board to create an "In Memoriam" page for Tom Gillick and a page acknowledging all of the 2007 retirees.

5. TRANSFER OF MOUNTED PATROL HORSE TO NEW OWNER

Last week the Police Chief briefed the Board regarding one of the mounted patrol horses who has a chronic illness.

Mr. Lally MOTIONED to declare the mounted patrol horse as surplus property and to permit the Police Department authority to make appropriate arrangements to find a new home. **Mrs. Bridle-Russell SECONDED.**

VOTE: UNANIMOUS FOR

6. GENERAL WARRANT ARTICLES

A Safe Place

Mrs. Bridle-Russell MOTIONED to move the presented article for "A Safe Place" to the warrant. **Mr. Griffin SECONDED.**

VOTE: UNANIMOUS FOR

Self Contained Breathing Apparatus – Matching Funds.

The Town Manager has received notice that the Fire Department has been rewarded a \$221,990 grant to assist in purchasing the apparatus. It would require \$11,099 in local funds.

Chairman Moore asked if the Board would be interested in scheduling a public hearing on this item before the end of the year and pay the \$11,099 out of the 2007 budget versus placing it on the 2008 warrant. As reported previously by the Finance Director there is approximately \$650,000 in surplus funds at this time. Mr. Workman asked if the Board would consider issuing a purchase order for the fire hose. Mr. Welch pointed out that there is an account in the 2007 budget for normal replacement where these items could be categorized.

Unitil has notified the Fire Department that they have a line truck that they are planning on trading in the next couple of weeks for \$11,000. The price is less than the amount in the bucket truck warrant article (\$45,000) that has already been moved to the warrant. The Department has viewed the truck and found that it meets their needs. There are funds for the maintenance and operation of the bucket truck in the 2007 budget. Mr. Welch recommended that he check with the Town Attorney and receive a commitment letter from Unitil before proceeding with paying for the truck out of that account.

Mr. Workman MOTIONED to remove draft article 48 pertaining to the fire hose from the warrant and purchase it out of 2007 budget. **Mrs. Bridle-Russell SECONDED.**

VOTE: UNANIMOUS FOR

Mr. Lally MOTIONED to schedule a public hearing on December 3 to accept the SCBA Matching grant funding from the Firefighter Investment and Response Enhancement Act through the Department of Homeland Security for purchasing the Self-Contained Breathing Apparatus for a total of \$22,990 and to allocate the \$11,099 local funds out of the 2007 budget. **Mr. Workman SECONDED.**

VOTE: UNANIMOUS FOR

Fish House Warrant Article #2

Attorney Gearreald noted that the article asked to raise and appropriate \$22,700 to purchase the Cropper fish house replica at Ruth Stimson Park. Mr. Workman noted that the Heritage Commission has voted on the subject and they would like to encourage the Board to retain the replica.

Attorney Gearreald noted that the structure would become Town property and would fall under the jurisdiction of the Selectmen.

Mr. Workman MOTIONED to move the presented Fish House Article #2 to the warrant. **Mr. Griffin SECONDED.**

VOTE: UNANIMOUS FOR

Fish House Warrant Article #3

Attorney Gearreald explained that the article would permit the fish house to remain even though it is not being used as indicated by the 1950 town vote. The fish house would only be permitted to be used for storage and not for commercial purposes. With Mr. Cropper's permission, additional wording has been added. He has agreed to not transfer the fish house to anyone and to leave the building to the Town as part of his estate.

Mr. Moore mentioned that he is against the proposed as he would prefer that the Town own the property.

Mr. Workman MOTIONED to move the presented Fish House Article #3 to the warrant. **Mr. Lally SECONDED.**

VOTE: 2 FOR

**OPPOSED – Lally, Moore & Bridle-Russell
MOTION FAILED**

The current owner of the fish house replica, Dave Cropper noted that by not permitting the third article on the warrant places him in a difficult situation as he could potentially lose all the money that he has put into the structure. He acted in good faith and came to the Town for guidance and for the appropriate permits. The procedure took approximately 13 months to complete and nine months for someone to bring forward the court decision. Mr. Cropper believes that the Selectmen are not giving the voters an option. After this entire experience Mr. Cropper is quite disheartened. He mentioned that “no good deed goes unpunished”. Mr. Cropper is sincere about keeping the historical replica and does not believe that he should have to lose it all. Mr. Workman suggested Mr. Cropper consider a petitioned article.

7. ICE POND PURCHASE AND SALES AGREEMENT

Town Attorney Gearreald noted that the contract is not ready. It is on the Planning Board agenda for next week.

OTHER OLD BUSINESS

Mrs. Bridle-Russell MOTIONED to appoint Jane Ansaldo as a member and Ed McDonald as an alternate member to the Hampton Solid Waste & Recycling Committee. **Mr. Workman SECONDED.**

VOTE: UNANIMOUS FOR

IV. NEW BUSINESS

1. TOWN BUILDING POLICY AMENDMENT

Mrs. Bridle-Russell MOTIONED to amend the Town Building Policy to include the “Selectmen’s meeting room must cease at 11 p.m.”. **Mr. Griffin SECONDED.**

VOTE: UNANIMOUS FOR

All committees and Boards will be notified of the change.

2. PUBLIC WORKS WARRANT ARTICLES

It was the consensus of the Board to have a draft article pertaining to the creation of a capital reserve fund for the Public Works Department vehicles and equipment replacement program.

3. HOLIDAY BANNER PERMISSION

Item has been postponed until further notice from the committee.

4. PUBLIC HEALTH REGULATION – RECREATIONAL CAMPING

The Town Manager has drafted a new, more detailed regulation. It states, that no camping of any sort is permitted in any location within the Town of Hampton other than at an established recreational camping park in accordance to New Hampshire laws. Single overnight camping is permitted on the property upon which the

residence of the individual(s) is camping on. The Health Officer may issue a permit for temporary emergency residence and such other uses may be exempted by the Health Officer upon proper application.

Mr. Lally MOTIONED to adopt the Public Health Regulation – Recreational Camping as presented. **Mrs. Bridle-Russell SECONDED.**

VOTE: UNANIMOUS FOR

5. AGREEMENT FOR TREATMENT AND DISPOSAL OF WASTEWATER

The Town Manager received an Inter-municipal Agreement for Treatment and Disposal of Wastewater from the Town of Rye. The current agreement expires in October 2009 and Rye is interested in renewing the agreement. There is no provision in the statute pertaining to the renewal, meaning that the process will have to go through the original steps (i.e. Attorney General, Secretary of State...). Chairman Moore asked if the item needed a town vote.

It was recommended that the agreement be reviewed by Town Counsel before proceeding with the agreement.

6. AUTHORIZATION TO SIGN SUPPLEMENTAL NH DES LOAN AGREEMENTS

Mr. Workman MOTIONED to sign the DES Supplemental Loan Agreement – Beach Area Interceptor for \$4,582,256.88. **Mrs. Bridle-Russell SECONDED.**

VOTE: UNANIMOUS FOR

Mr. Griffin MOTIONED to sign the DES Supplemental Loan Agreement – Facilities Plan Update and King's Highway and Ocean Boulevard Interceptor for \$1,731,411.05. **Mrs. Bridle-Russell SECONDED.**

VOTE: UNANIMOUS FOR

OTHER NEW BUSINESS

Mr. Moore noted that the Hampton Southeast Regional Refuse Disposal representative is unable to attend their meeting on December 4 in Rye. Mr. Moore volunteered to attend.

Mr. Lally announced the first Solid Waste & Recycling Committee meeting on Wednesday, November 28 at 7 p.m.

The Budget Committee has sent communication requesting additional information. The Town Manager drafted a letter in reply.

Mr. Lally MOTIONED to authorize Chairman Moore to sign the letter in reply to the Budget Committee. **Mr. Griffin SECONDED.**

VOTE: UNANIMOUS FOR

Mr. Workman asked to have one copy of the required documentation for Selectmen's meeting in the weekly packets.

VI. CONSENT AGENDA

None

VII PUBLIC COMMENTS

Skip Webb (11 Windmill Lane) asked for clarification regarding the revised Health Regulation on Camping. He said that as a representative of the James House he has been negotiating with the Boy Scouts to use the property for camping events. Mr. Webb asked if he should continue with the negotiations with the Boy and Girl Scouts. The Town Manager and Chairman confirmed that he would need to seek exemption from the Health Officer before camping would be permitted.

VIII. CLOSING COMMENTS:

None

IX. ADJOURNMENT

Mr. Lally MOTIONED to adjourn at 9:49 p.m. **Mr. Griffin SECONDED.**

VOTE: UNANIMOUS FOR

Chairman