

Town of Hampton



Hampton Board of Selectmen Minutes of February 20, 2012

PRESENT: Richard Nichols, Chairman
William Lally, Vice-Chairman
Richard Griffin, Selectmen
Gerald Znoj, Selectmen
Michael Pierce, Selectmen
Frederick Welch, Town Manager
Mark Gearreald, Town Attorney

7:00 PM Public Meeting – Selectmen’s Meeting Room, Downstairs Town Offices

SALUTE TO THE FLAG

I. Presentation and discussion on the Warrant Articles

Chairman Nichols explained that this is a special meeting to discuss certain warrant articles that are on the ballot.

Chairman Nichols began with the presentation of the financial impact if all the 2012 money articles were to pass. He presented a chart which showed the 20-year history of property taxes on the average single family home. In 2011, the average assessed value of a single family home was \$318,000. The chart identifies the municipal, school, and county tax portion and shows how for the past 3 or 4 years the tax rate has remained pretty much level, and showed what the tax rate would have been had it grown at the same rate as the CPI. He provided a graph that broke down the debt service of the years 1992 to 2016, which also represents a 5-year forecast of what debt service is expected to do if all the 2012 warrant articles are approved. There was a dramatic increase between 2004 and 2005. It also showed how debt service would pretty much remain level from 2005 thru 2016. He also shared a greatly detailed spreadsheet that was used to make this forecast and was a collaborative effort between himself and Mr. Schwotzer. He showed in detail the municipal tax rate broken down from 1992 to 2016. In the 10-year period of 1997 to 2006, the municipal tax rate increased by 117% with the largest spike between 1997 and 2006. He discussed the number of years we had a Default Budget. The main reason for showing this is so that people will see that even though the amounts on the ballot can be intimidating, the actual increase between 2007 and 2016 is 9%. Therefore, this is very different from what happened during the period of 1997 to 2006. He presented a graph showing the Undesignated Fund Balance or Surplus. He discussed an accounting error in 2005 and the TAN borrowing in 2006. The Undesignated Fund Balance grew between 2008 and 2011 to over \$5M and is projected to level out to just over \$3M by 2016, which is just above the DRA recommended minimum of 5%. The objective being to use the surplus to mitigate the tax increases, and this is why you

this balance driving down to the minimum level. He also explained in detail the impact of using all surpluses in that particular year. In the recent years, the Finance Director was instructed to use surplus as needed to keep the tax rate level. He showed how the tax rate would have dropped between 2009 and 2011, if all the surplus was used, however, with the expenses we are now facing, if we had done this we would see a 13% tax increase between 2011 and 2012. Therefore, the philosophy of flat is good has worked, so that there has and will not be any drastic changes in the tax rate. He went through the actual numbers involved in the 5-year forecast. He pointed out that the final 2012 articles would reflect a 13% increase in tax rate over the 5-year forecast. He broke down the tax impact if all 2012 warrant articles are approved the average single-family home taxes would increase by a total of \$305 over the five years which is \$61 per year. It is very important to point out that this only takes into account the 2012 warrant articles and nothing else such as the schools or county taxes.

Article 8 \$5,756,740 for Fire Stations

Mr. Lally reminded everyone that they are planning to show both the pros and cons. Chairman Nichols also added that anyone on the Board who would like a chance to speak would have a chance.

Chief Silver stated that Article 8 represents the physical needs of the Department. He reminded everyone of the need to replace the Beach Station and the renovations to the Winnacunnet Road Station, which includes the relocation of the dispatch and administrative offices. The price tag for the Beach Station is \$3,109,990 for a complete replacement of the station and the building will be located adjacent to the current building on Brown Ave. This will accommodate the department as a sub-station and compared the dimensions of the current station to the new station and square footage wise, this is an increase of 4,400 square feet. He discussed the apparatus space and the increase there of about 2,000 square feet. This is a modest design in his opinion. One contributing cost is related to its location and soil conditions. The cost for the Winnacunnet Road Station is \$2,646,750. He explained that this amount includes both phase 1 and phase 2. This will fund the necessary improvements along with the relocation of Headquarters from the Beach to this station. He provided the square footage of the current building and the renovated building will add an additional 9,500 square feet for a total of 16,100 square feet. The project was modified from last year's design and the overall reduction is about 3,500 square feet. The apparatus space between the two locations totals an additional 4,000 square feet. He went through the modifications that were made including the single story building and reuse of existing building. Some negative cons in keeping the existing building are not bringing the existing portion of the building up to code, energy efficiency and not replacing the heating and ventilation system in the existing building. The one story design saves money by not requiring an elevator and space for hallways and stairwells. He thinks this is more of a compromise as opposed to a sacrifice and he can support this article as it is now written. He thinks this represents the operational needs of the department now and in the future. He discussed the advantages of completing phase 1 and phase 2 at the same time and by completing this all in one time we will save about \$100,000.

Mr. Lally thinks it is straightforward.

Mr. Znoj asked about the fiscal impact notes provided by Chairman Nichols, the impact of the fire stations on the average single family home is 17.8 cents per \$1,000, and he would like to confirm that this amount is related to the current article. Chairman Nichols believes that this is based on the amounts of the articles coming out of the Deliberative Session. There was a discussion on the interest rate.

Mr. Pierce asked the Chief to speak on the high water levels on the beach and what has been done to consider this. Chief Silver shared the requirements in regards to base flood levels and the building requirements in relation to this. He also commented on the past problems with the drainage and how this has been corrected and addressed 95% of the problems with flooding in the back lot. The apparatus floor will be the first floor and built to withstand any temporary flooding if they ever see it.

Chairman Nichols made the following comments in regards to financial impact of the fire station warrant article: the cost is \$2.3M less than the proposal coming into 2009, Portsmouth sub-station came in over \$6M, not going to see a less expensive proposal and interest rate reduction. He thinks the time is right and this proposal is supported by the Chief and the Board.

Article 9 \$4,850,000 for the replacement of the Church Street Pump Station

Mr. Noyes made the following presentation for the Board. The Church Street Pumping Station serves the area of Town along Ocean Blvd, south of Great Boars Head all the way to Seabrook. In 2008, the Town recognized the poor condition of this station and had a basic engineering evaluation, which concluded that the station was beyond its useful life, and should be replaced with an entirely new station. They estimated the cost for replacement "could range from 2 to 2.7 million dollars." This estimate was based on rough numbers, which did not take into account poor soil conditions, future building growth, or rising labor and material cost. He showed pictures which identified the following problems for the public: exterior and interior of building is literally falling apart, employee safety issues, old and rusted components, parts are hard to find and some are unavailable, wet well is under capacity and all mechanisms are severely corroded and no method of handling rags which bind up the pumps. In 2011, the Selectmen sponsored a successful warrant article that included funding for designing a new station. The Town hired GHD Engineers to re-evaluate the station, perform test borings of the sub-surface, produce a preliminary design, and cost estimate for a new station that would accommodate area growth for the next 20 years and a building life of 40-50 years. The revised cost estimate for this project if it was to be built in 2013 is \$4,850,000. The increase in the original estimated cost is attributed to increasing the capacity of the station, poor soil conditions, and increases in cost for labor and material. In addition, the Town hired Water Industries Incorporated to review and critique the proposed design and cost estimates as a second opinion. Water Industries concurred with the findings of GHD Engineers. The uninterrupted operation of this station is critical to the beach residential and business community. A major failure of the pump station could be a huge problem environmentally, economically and a major disruption to our residents and guests. The Town has successfully applied for a low interest loan to fund the project through NHDES. In addition, we have applied for a 20% grant, which we hope to receive. In an effort to reduce the cost of this project we intend to utilize in-house staff for legal work and Public Works will assist with construction management and oversight. If this warrant article passes, we would immediately begin preparing final design and construction specifications.

The project would be put out to bid in the fall of 2012 with construction commencing in early 2013.

Mr. Lally stated the only negative he sees is for the residents and business in the beach if this station fails.

Mr. Znoj believes the new wet well is 6 feet deeper in this new plan. Mr. Noyes agreed and provided an example such as having a pump in your basement and how this works. There was a discussion on all the things that run through this pump station.

Mr. Griffin thanked him for his presentation and thinks he did a nice job on his presentation.

Mr. Znoj pointed out that the fiscal impact is 15.2 cents per \$1,000.

Article 10 \$80,000 for energy efficient upgrades at the Library, no tax impact

Mr. Znoj explained that this is a three-step process. The first step has already been put into place by the Trustees who have already put the boilers in place. The second step is the air conditioning system. The final step is the replacement of lighting. The Library will be able to get a 0% interest rate from Unitil. With these improvements, the Library will see an overall savings. There is no tax impact for this article. This will all be taken care of through the energy savings. This is a must win for the Town.

Article 12 – 16 Police, Fire and Teamsters collective bargaining agreements

Chairman Nichols presented the Board with the following information. With the exception of the Teamsters, these proposals are the result of 10 or 12 meetings over two years. Our team wanted to achieve the objective of having compensation packages that would allow the Town to attract and retain people, while being at a cost level that voters would approve. They did comparisons with other cities and towns, the private sector where applicable, and considered the job market and the economy. All five CBA's on the ballot, Teamsters, Police Patrolmen, Police Sergeants, Firefighters Local 2664, and Fire Supervisors Local 3017 are two-year agreements. The four Police and Fire unions have been without a contract since 2006. The Teamsters had an agreement approved by the voters last year. The Teamsters proposal reinstates the step scales with increases of 1.5% in the first year and 1% in year two of the agreement. It continues the Matthew Thornton HMO Health Plan that was part of the agreement approved by the voters last year, with employees paying 10%. New hires in the Teamsters union after April 1, 2012, will pay 25% of their Health Insurance premiums, under the proposed CBA. Both the Police Patrolmen's and Firefighter Local 2664 proposals move employees to the step they would be on, if not for being without a contract since 2006. Both Police and Fire proposals have increases in starting pay. There are no across the board increases in the Police Patrolmen and Firefighters pay scales in the first year. All increases, including step movement, are less than the increase in the CPI, since 2006. There are no retroactive payments in any of the proposals. Both the Police Patrol and Firefighters have 1% pay scale increases in the second year. Part time Police "Specials" starting pay increases from \$13.16 to \$16 an hour, with smaller upward adjustments throughout the pay scale. The Police Sergeant's start step increases by 5%; all other steps increase 3%, to address a situation in which the high end of the Patrolman's scale exceeded the start of the Sergeants scale. Fire Supervisors Pay rates increase 3% in the first year and 2% in the second year. There are no steps in the Fire Supervisors pay scales. Both Fire unions work schedules changes to 24-hour shifts, with no impact on benefits or costs. Maximum vacation time for

new hires is reduced to 4 weeks in all of the contracts. The standard Health Insurance plan changes to a Matthew Thornton HMO, the same plan as the Teamsters are on now, with employees paying 10%. The HMO represents an 18% savings compared to the current POS plan. Employees may continue on a Health plan very similar to the current POS plan, but would pay 15%, as opposed to 10% of the premiums. He has been asked by the Fire Unions to speak on “spiking assessments.” Pension benefits, as well as any assessments for excess benefits, AKA “spiking charges,” are controlled by the State Legislature and reflected in State statutes, as opposed to Collective Bargaining Agreements between the Town and its unions. The legislature has deferred these charges a number of times over the past four years, no community has ever received a “spiking charge.” The situation continues to be dynamic. Last week the Senate ED&A committee voted on two competing bills related to “spiking.” Senator Stiles bill, which seeks to repeal “spiking charges,” completely was voted “out to pass,” while a bill that would change the calculations and continue “spiking charges” with another deferral to 2013 was voted “inexpedient to legislate.” They will continue to actively fight this in Concord. The detailed Tentative Agreements can be found on the Town Website.

Mr. Pierce praised everyone in their efforts. He thinks it will help to maintain a good level of Special Officers at the beach with the pay increase in the new CBA.

Mr. Znoj expressed the need to get these contracts passed and in place after waiting 6 years. There was a lot of effort put in 2010 and 2011. He feels they have all made an earnest effort on the articles. He spoke about the actual salaries and how they are very average from the analysis he did. He commented on how the newspaper really plays on the overtime cost but this is a necessary part of some of these departments. He thinks there has been some real collective bargaining going on amongst these unions. He supports these contracts and encourages the public to support them also.

Mr. Lally is very pleased to see these articles on the warrant since it has been one of his goals for the past several years. He expressed the importance of these employees to the Town.

Mr. Griffin thinks these are very fair and thanked the new lawyer the Town has and the job he has done.

Mr. Znoj mentioned the members on the team to get this done Mr. Schwotzer, Matt Upton, Chairman Nichols, and each Department Head.

Mr. Pierce pointed out that the Board has supported each of these agreements with a vote of 5-0-0.

Article 18 \$611,000 for Road maintenance with \$311,000 withdrawn from the road Improvement Capital Reserve and \$300,000 withdrawn from the Undesignated Fund Balance

Mr. Noyes shared the following with the Board. The Public Works Department is responsible to maintain approximately 123 miles of roads and 20 miles of sidewalks. In addition, they service and maintain thousands of feet of underground storm water and sewer systems. They have produced this road and utility capital improvement plan, which provides a level of funding that, is needed to gradually catch up on the necessary improvements that in the long run will save the taxpayers’ money. The cost of this plan is \$1,229,000, which includes \$311,000 of capital reserve funds and \$48,000 of funds encumbered from the 2011-

operating budget. Their goal is to get caught up with repairing and/or replacing the pipes and ensure that every road in Hampton is resurfaced every 15 years, which is the age that asphalt pavement deterioration accelerates and becomes increasingly costly to repair. He shared a graph showing how the pavement breaks down over a certain period of time. He went through the things that have an effect on the pavement over time. He showed an example of the conditions of the pavement on Exeter Road. He discussed the cost of repaving a road when the pavement is still in adequate condition. He added that Exeter Road would need to be totally reconstructed since the road is in need of repairs. They are really trying to get a plan in place and he shared how this plan will work and how every 12 to 15 years the roads will be re-paved.

Mr. Znoj wonders what roads he plans to do this year. He brought the Boards attention to his presentation and the breakdown of the money that will be spent in each area including drainage and road repairs. He listed out the roads for paving and drainage.

Mr. Noyes will put this report on the website for anyone interested seeing the breakdowns he discussed.

Mr. Pierce shared an experience he had on Exeter Road and how this road really does need some attention.

Article 19 Amending the Sewer Use and Construction Ordinance to allow the Town to receive sewage from the North Hampton State Parks Beach facilities

Mr. Znoj is 100% in favor of this article. What they have up in North Hampton State Beach is non-working bathrooms and have been using port-a-potties in this area. He shared how they would like to send their sewage to Hampton. He shared how if they cannot do this they plan to compost and to Mr. Znoj this does not make sense. The amount of sewage coming out would probably be around 80,000 gallons, which is so small compared to the flow into the WWTP. This will have no effect on the plant at all. He discussed how Rye is already doing this and has been for some time.

Chairman Nichols commented on how the amount being added to the system is equivalent to a single family 3 bedroom home.

Mr. Znoj thinks this is very important for the Town to do and he brought up all the things the Town is working on with the State.

Mr. Pierce shared a story on flooding in this area and the possible problems that can occur if these bathrooms are not taken care of.

Article 36 A petitioned warrant article reducing the Operating Budget by \$200,000 which also states that the “town shall return to its previous practice of outside counsel only.”

Mr. Lally does not want to beat this to death but would like to point out in all fairness this article was petitioned by two members of the Budget Committee, was not recommended 4-1 by this Board, and was not recommended by the Budget Committee 10-0-2. The negative side of this is that we are paying two salaries and two benefit packages. This is the only negative side he has been able to find. He commented on the hourly rate being \$80 an hour for the Town Atty. and outside legal charge roughly \$120 an hour plus mileage and other expenses. He reminded everyone that within a year the unions are going to be back to

negotiate even if the articles pass and will use outside counsel once again. However, there are so many other things that this Board goes to the Legal Department for and how these attorneys are on the Town's side. The litigation that they have been involved in is very rarely initiated by the Town's attorneys. He certainly does not support this article and asks the public to take a real good look at this article before voting. He also pointed out that these two employees will be fired and this is not something that has been done in the 6 years he has sat on this Board.

Mr. Griffin thinks this is really up to the public to decide how they want to vote. He thinks no matter what happens this department will be managed more prudently. He thinks this has already begun. He hopes in the future the Town will need even less legal representation.

Mr. Znoj shares Mr. Lally's non-support of this article. He thinks if this gets voted in, the legal cost will double or triple. He mentioned how the second lawyer hired this year has worked for the Town for seven years and is still being paid the same wage as when she was a paralegal for the Town although she has passed both the MA and NH bar. He commented on the HR work that she is doing and will continue to do. He thinks if this article passes, it will be disastrous. He commented on how they are members of the Boards team and how they advise both this Board and the Department Heads.

Mr. Pierce agrees with both Mr. Lally and Mr. Znoj. He feels it is very important to have them present to turn to with questions.

Chairman Nichols agrees with everything that has been said. He believes that they will be able to come in about \$30,000 less than the \$280,000 budgeted by using less in the way of outside labor counsel.

Mr. Lally agrees with Mr. Griffin that this budget can be trimmed.

Article 35 Noise Ordinance

Mr. Znoj stated that he is not in favor of this article. He thinks the current noise ordinance is fine. He read the current ordinance and feels strongly that it is fine. He expressed concerns with the db level in the petitioned article and how many surrounding Town's have db levels significantly lower than the 80-db level listed in this article. He thinks there should have been a study on db levels before setting it at 80.

Mr. Lally feels that the current ordinance does not mean anything, since it does not state any measurement of sound. He expressed how this makes it impossible to enforce.

Chairman Nichols understands both of their points of view. He commented on an email they each received today in regards to db levels. He thinks that if this ordinance is going to be changed the right way to do it is as a Selectmen sponsored article with the support of the Town Manager and Police Chief.

Other Items

Chairman Nichols brought up a letter proposed by the Recycling Committee to be sent to Beach Businesses. The letter is the same as last year and the Recycling Committee is asking for the Boards approval to send this letter.

Mr. Znoj has made a few suggestions on changes to be made and the Committee was fine with and made the changes.

Mr. Pierce MOTIONED to allow the Recycling Committee to send their letter to the Beach businesses. Mr. Znoj SECONDED.

VOTE: 5-0-0

Chairman Nichols informed the Board that he heard from John Nyhan and he did submit the preliminary application for the TIGER grant today.

II. Closing Comments - None

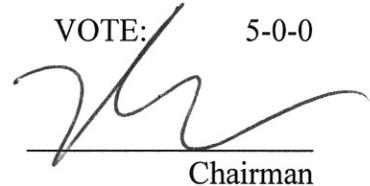
III. Adjournment

On motion made by Chairman Nichols and seconded by Mr. Znoj to enter into a Nonpublic Session under RSA 91-A:3, II(c).

By roll call vote, the Board voted unanimously to enter into a Nonpublic Session under RSA 91-A:3, II(c).

Mr. Znoj MOTIONED to adjourn the public meeting and SECONDED by Mr. Lally.

VOTE: 5-0-0



Chairman

Minutes of Non-Public Session on February 20, 2012

Selectmen

Richard Nichols, Chairman
William Lally, Vice-Chairman
Gerald Znoj
Richard Griffin
Michael Pierce

At the close of the public meeting at about 8:30 pm Chairman Nichols made a motion to go into a non-public session under RSA 91A-3., II (c), which was seconded by Selectman Pierce. A roll call vote was taken with all of the Selectmen voting in favor. In attendance were all of the above

The Board continued working on Town Manager Welch's performance review with a discussion related to the Employee Evaluation form.

The non-public meeting adjourned at 9:15 pm.

Respectfully submitted,



Richard E. Nichols, Chairman
For the Board