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Agenda for February 08, 2016  
Rescheduled to Wednesday February 10, 2016

PRESENT: Rick Griffin, Chairman  
Rusty Bridle, Vice-Chairman  
Mary-Louise Woolsey, Selectman  
Phil Bean, Selectman  
Jim Waddell, Selectman  
Frederick Welch, Town Manager

SALUTE TO THE FLAG

I. Public Comment Period

II. Announcements and Community Calendar (8:13)

Selectman Waddell: great to see we had a record turnout across the state that voted

Selectman Bridle: great to see how many came out to vote; congratulate all the people who participated in the Penguin Plunge

Selectman Bean: extraordinary turnout; would like to thank Mr. Welch, the Town Clerk, all the volunteers and Mr. Casassa for all their work pertaining to the primary

III. Consent Agenda (9:27)

1. 2016 Veteran's Tax Credit Requalification: Boeddinghaus, Stephen VET \$500 55/2; Bouchard, Dorothy SPOUSE&TOTAL \$1,900 124/6/37; Boyle, Inez SPOUSE \$500 223/160; Breault, Joyce SPOUSE&VET \$1,000 163/54; Burns, William VET \$500 42/13/47; Byrne, Thomas VET \$500 107/1; Calhoun, Robert VET \$500 144/41; Chaisson, Richard VET \$500 124/6/20; Clark, Paul VET \$500 90/32/J68; Correll, Richard VET \$500 179/36; Eriesian, Edward VET \$500 266/8/17; Farrah, Sheridan VET \$500 172/6/13; Fitzgerald, Michael VET \$500 172/6/118; Pestana, Norbert VET \$500 223/124; Rybak, Michael VET \$500 265/17/5S; Salmon, Robert VET \$500 172/6/44; Smallwood, Thomas VET \$500 54/27; St. George, Joseph VET \$500 172/6/38
2. 2016 New Veteran: Cherson, Jason H VET \$500 151/5/10; LaBonte, Robert F. VET \$500 88/55; O'Neil, James R. VET \$500 206/14
3. FEMA Community Rating System(CRS) Letter

Selectman Bridle MOTIONED to MOVE the Consent Agenda SECONDED by Selectman Woolsey.

VOTE: 5-0-0

#### IV. Appointments (9:46)

1. Kristi Pulliam, Finance Director
  - a. 2015 Unaudited Financial Statements

Ms. Pulliam: this is the 12<sup>th</sup> report for 2015, so the target is 100%; motor vehicle income came in @ \$3.2 million, which is \$474,000 above the budget. Other major contributors to the years income total of \$8.34 million were payment in lieu of taxes @ \$246,000; interest on taxes at \$354,000; fire permits @ \$20,000; building permits @ \$320,000; State of NH \$1.3 million; departmental income @ \$671,000; sewer agreement @ \$113,000; parking lots @ \$509,000; land rent @ \$166,000; franchise fees @ \$246,000; insurance reimbursement from LGC @ \$228,000; real estate trust \$646,000. The real estate trust came in \$46,000 less than 2014. The total revenues were \$746,000 higher than 2014 and \$478,000 higher than the estimated revenues when the tax rate was set. The expense summary shows the year to date expenses by department at the end of December the operating departments with open PO's but without debt service, was 98.33% of the budget, which is under budget by \$390,000. I also included in here the year-end savings report showing a savings of \$351,000, compared to 2014 @ \$357,000. The figures above reflect the information, as they are known at this time, and remind everyone that these are unaudited figures.

Selectman Waddell: things turned out well this year and we had money left over at the end of the year; we did have an increase in revenue this year; need to take a good look at the budget to see what was under budgeted or over budgeted.

Selectman Bridle: the savings for utilizing our Assistant Town Manager in negotiation was almost \$50,000. Ms. Pulliam: not just for negotiations, but so many things, he was also in my office helping

Chairman Griffin: he is also doing a lot of work on the sewer break.

Selectman Woolsey: \$478,000 higher than estimated revenues, what effect did that have on the tax rate. Town Manager Welch: that figure came in after the tax rate was set; the state gave us more revenue than was anticipated.

Selectman Woolsey: wants to suggest putting a line in the actual accumulation of fees under the Waste Water Treatment Plant. Do you think the estimated unassigned fund balance of \$5,823,577 is close? Ms. Pulliam: I think that figure is high; I came up with around \$5.3 million

Selectman Woolsey: why is there a discrepancy in the debt service? Ms. Pulliam: in 2015 Church Street came on, so when that was prepared we did not have the SRS loan agreement yet, so we use our best estimate of the rate and then once we receive the loan agreement the actual payments will be put in. Selectman Woolsey: we should of finished paying that debt service in 2015; I am trying to figure out how we end up with money left over when the debt service should be a fixed amount; debt service \$3,289,872 then it shows actual \$2,997,278, how can it vary like that? Ms. Pulliam: Because when the 2015 budget was prepared we did not have the SRS loan agreement in place for the WWTP bonding, nor did, we have it for the Church Street Pump Station.

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Selectman Woolsey: I always thought that debt service was fixed. Town Manager Welch: it is until you actually incur new debt, which is what happened during the course of the year; it is an encumbrance against the Town's General Fund.

Selectman Bean: great work as always; superlative work throughout the budget process this year; you talked about a net increase in revenue of how much? Ms. Pulliam: \$478,000. Selectman Bean: we talked about increased taxes, increased fees; we have yet to hear about our increased pension costs; you mentioned that the disbursement from the Trustees of the Trust Fund is down by \$40,000-\$50,000; how much did our health insurance go up this year? Ms. Pulliam: the average was 17.3% it went up quite a bit. Selectman Bean: in ballpark figure, what is that \$200,000? Ms. Pulliam: yes

Selectman Bean: there is no increase in revenue per se when you go to the bottom line; there is some revenue. However, no matter how fast we build in this Town, no matter how we try to contain our costs, there are associations with our performance as a corporation that are seriously problematic in terms of how we are going to fund our infrastructure improvements. We are losing \$2,000,000 a year in depreciation of physical assets that is a government-mandated expense. When you actually look at the totality of this, I just want to make sure that we realize that this is not \$400,000 extra and that because of our operating costs and our infrastructure challenges, because of the cost of doing business, it is actually going to the red. Begs the larger question tonight. We have a boatload of money sitting in that real estate fund, and a disbursement of \$500,000-\$600,000, especially when we hear what is going to be costing tonight with the failure of the Sewer force main, people may want to reconsider their position on it as we go forward.

b. 2016 Investment Policy

Ms. Pulliam: Ms. Lavin has reviewed it, and nothing has changed except the date.

Selectman Woolsey: does this relate to our treasurer only. Ms. Pulliam: yes, Treasurer only.

Selectman Waddell: yes, I wanted to clarify that too; these are the funds the Town has, and how those funds are kept, correct. Ms. Pulliam: yes.

Selectman Waddell: is this online so the people can see how the money is being handled. Ms. Pulliam: no, but I will post it with the financial report.

Selectman Bridle MOTIONED to APPROVE the 2016 Investment Policy SECONDED by Selectman Waddell.

VOTE: 5-0-0

2. Chris Jacobs, DPW Director (33:07)

a. Request for ~~Trash~~ Recycling Collection at Royal Sands Condominium

Director Jacobs: with the recent agreement to pick up at 68 Kings Highway and the another condominium association that had containers out there; I want to say that there is word on the street that we would like to increase the recycling. The Highway Dept in the summer is done to three or fewer employees, and is stretched between trash and road repairs in the summer. Now due to the picking up the extra containers on Hilliard, and picking up more containers on Litchfield Drive; all of these things add to the length of the routes. In the time study, we have shifted a number of streets around and have maximized the Monday-Thursday; with Friday being the beach and anything that was missed; there is no more room on the Monday-Thursday

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pick ups. We are going to reach the point where we are going to need another driver and truck or be asking for more overtime in the Budget to get it done, either way it is a direct cost to the Town; it is stretching that Department, very thin for those 13 weeks during the summer. It is a cost issue and a level of service issue; I caution that if you approve the condominium pick-ups, others might come in for their condominiums and if we continue to pick up more and more people, we are going to be maxed out.

Chairman Griffin: are you picking it up now. Director Jacobs: yes, there are 2-3 containers, how they got them, can only speculate.

Chairman Griffin: They received the containers when they were first given out, have been placing them out, they pay taxes, and should receive the service; it is a Town requirement that people recycle. Director Jacobs: Yes.

Selectman Waddell: if we get more people to recycle, we have less trash; from that aspect it is a good thing. Some condominiums we do not pick up; what is the policy. Director Jacobs: we pick up everything that is put out.

Selectman Bridle: when they first brought the containers around, each address was given a set, but if anyone wants more than they purchase them; I think the right thing is to pick it up, but we need to have the manpower to do this.

Chairman Griffin: there is a big improvement of how clean it is down there; we gave a reduced amount of the recycling containers to those condominiums

Selectman Woolsey: read a memo from the manager dated October 15, 2014 regarding Condo and Homeowners Trash Collection and Roadway Maintenance. Do you have the manpower?

Director Jacobs: not to keep up the pace.

Selectman Woolsey: the transfer station was never meant to have the tonnage going through it that it has now; we are going to have to stop providing services to some of these places; there is a way to keep the beach from being messed up. We do not have the manpower and those mechanical packers are expensive and expensive to repair. I have been asking this Board for the last three years to notify the Planning Board that on new developments anything other than single family or two family homes, that this community cannot provide the waste/recycling and trash pick-up; we can no longer due it at the rate this Town is growing.

Selectman Bean: I am in agreement with the Chairman; I do not think there are any kids in school down there; people have a tax base of \$5.7 million; do not require the police very much; it is coded and updated; they are constantly improving their property, so they are going to get trash pickup once a week.

Chairman Griffin: it is not trash; it is recycling.

Selectman Woolsey: trash follows.

Chairman Griffin: no, trash does not follow; that is not what we are here for; why don't you stick to what we are talking about; we are talking about recycling; the people voted on these issues; they want recycling and trash pick-up. We are not going to take it away from some people because you do not think it is a good idea.

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Selectman Bean: I emphatically agree with you; based on the revenue, based on what the beach does do for us, there are special considerations; we should support the Royal Sands because they support us with a tremendous tax base.

Chairman Griffin: maybe it would result in some overtime, but I do not know the best answer is.

Selectman Waddell: I think if we approve this, we should back up the Director, when he needs extra help or he needs to get it done and not leave him out to hang in the end.

Selectman Woolsey: where are you going to get the money; are you going to hire three new people.

Director Jacobs: not without the Board's approval.

Selectman Woolsey: do you have the money? Director Jacobs: no.

Chairman Griffin: he did not say anything about hiring three new people; you did; he can do his job without your help.

Selectman Woolsey: did you mention you need three more people? Director Jacobs: months ago.

Chairman Griffin: that is not what he is here for tonight. Selectman Woolsey: I think that is what he is here for. Chairman Griffin: let him do his job.

#### b. Church Street Pumping Station Sewer Force Main to Treatment Plant Breach

Director Jacobs: On February 2, 2016 we discovered that the force main that goes under Tide Mill Creek, there are two lines in there; one broke; we are unsure at this point what has happened to cause this. We had indications from the State that there was high fecal count in the water at Hampton Harbor and its tributaries. On February 2, we walked the line in the marsh and we found that it was discharging untreated effluent right out into the marsh; we changed valves, and put the flow through the old pipe and it is working at present. Looking at the possible solutions to repair this; get a wetlands permit and digging down the 6'-8' determining the cause of the break and fix it in place, least costly of the options. We are meeting with contractors, wetland scientist and our engineer on February 16, 2016 to come up with a solution and will come back before this Board.

Selectman Waddell: you did a great job finding it and containing it. Director Jacobs: I give the credit to Mike Carl and Mike Dube, the two Waste Water Treatment Operators who found it. Selectman Waddell: the big question is what do we do? You are doing a great job in trying to come up with a solution.

Director Jacobs: I do not want to rush to solution; the pipe is only 29 years old; the technology and engineering has changed; should we continue with a 4000' pipe under the marsh; or run down 101, and connect threw St. James Lodge property to Tide Mill; there are options; the situation is controlled and stable.

Selectman Bridle: how old is the second line. Director Jacobs: almost 50 years old. Selectman Bridle: you have a backup plan if the second pipe blows. Director Jacobs: we do.

Selectman Woolsey: you mentioned before about sand, is there any way to intercept the sand at the head end?

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Director Jacobs: we intercept a large percentage of it in the wet well; we cannot capture the fine grit, which wears against the pipe after 30 years.

Selectman Woolsey: as part of routine maintenance, do you have the capability of just shutting down and just blowing it out? Director Jacobs: yes, it is called pigging, but all it will do is scour the walls once, but will not do anything to preserve the inside of the pipe wall, if it is wearing thin, it wearing thin.

Selectman Woolsey: the older of the two pipes is clay. Director Jacobs: no, asbestos cement; we have to do things sustainably; we want to do this right for the future.

Selectman Bean: commend the Chairman, Mr. Welch, Director Jacobs and Ms. Hale for their rapid response; this is small potatoes compared to what Portsmouth is going through; we need to take care of this, to do this properly because this is the Beach; we need to do this right; work with higher agencies.

Chairman Griffin: is there any chance we can be reimbursed for this.

Town Manager Welch: we are going to try.

Chairman Griffin: On the previous discussion, we need to make a motion, if people want carts in the future they need to buy them; what happens if a new house comes along, do they have to buy them also? Director Jacobs: one of each is delivered free, such as on Hilliard they all got one of each.

Selectman Woolsey: if they move? Director Jacobs: it is supposed to stay with the house, as they are given to the property address.

Chairman Griffin: if a tire falls off, or the lid breaks? Director Jacobs: we do repairs.

Chairman Griffin: Do we need a motion? Town Manager Welch: you will need a motion to give us direction, because after the discussion tonight we are going to be buried in requests.

Chairman Griffin: all the carts have been given out, so they would have to go and purchase their own; unless it is a new lot approved by the Planning Board, not a redo of a home.

Chairman Griffin MOTIONED all new lots approved by the Planning Board receive one of each of the trash and recycle carts SECONDED by Selectman Bean.

VOTE: 4-1 (Woolsey)-0

Selectman Bridle: I want to make clear that we are only doing the recycling part here; they are totally responsible for their trash pickup.

Chairman Griffin: this motion is for new lots of record where a house goes in, not for this discussion here of the Condo buying recycling carts.

Selectman Woolsey: I want to be recorded as absolutely opposed.

#### V. Approval of Minutes (1:16:08)

##### 1. January 11, 2016 Revised

Selectman Woolsey MOTIONED to APPROVE the January 11, 2016 Revised Minutes SECONDED by Selectman Waddell.

VOTE: 5-0-0

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#### VI. Town Manager's Report (1:16:22)

1. An additional reminder that property owners, who desire a tax exemption in the various categories available, must see the Assessor's Office well before March 1, 2016 to obtain the necessary forms.
2. Likewise, those interested in the lower tax rate in the Hampton Beach Precinct must fill out the necessary form and return it to the Assessor's Office by April 15, 2016.
3. If you have not filed for your absentee ballot and will not be available to vote on March 8<sup>th</sup> in the Town Election, please contact the Town Clerk's Office.
4. The leak in the sewer pipeline between the Church Street Pumping Station and the Sewer Treatment Plant has been stopped, a further report to follow. There were high counts in Taylor River, and our leak has nothing to do with that, as there are a lot of septic systems along the river that could be the cause of that.

The Paper reported the finding of the leak by the State, which was incorrect, it was our employees who found the leak, and the State was with us.

Selectman Bridle: we need to decide as a Board what we are going to do about the sewer west of I95.

#### VII. Old Business (1:20:26)

Selectman Woolsey: what is happening with the wood from the trees that were taken down in Five Corners Park? Town Manager Welch: we leave the wood on the site, as it is on public property and any citizen can take it. Selectman Woolsey: what about the stumps? Town Manager Welch: they will be ground down. Selectman Woolsey: are there any plans to plant new trees? Town Manager Welch: I have asked DPW and if there are funds left, they will look into that, and will need to plant something that survives and are attractive.

Chairman Griffin: Didn't we used to something with UNH about planting trees. Town Manager Welch: We are trying to put together a comprehensive program with UNH.

Selectman Waddell: we need to go to Concord and testify when a bill comes up about the room and meals tax.

#### VIII. New Business (1:24:30)

1. ~~Selectmen's Schedule for attendance at NH Primary~~
2. Determination of Procedure to respond to Petition for Monthly Billing – Aquarion Water

Attorney Gearreald: on November 2, 2015 Carl McMorran said Aquarion would be seeking monthly billing; the petition was filed with the Public Utilities Commission, so far, the Commission has not done anything. The petition itself has other aspects such as changing the payment due date from 30 days to 25 days; changing the billing service for metered, private fire and public fire service from in advance to in arrears; and seeking to adjust their working capital in their next rate case. I suggest you invite Aquarion officials in to explain to you the details, which were not available I November when they had attended your meeting, and then allow public input about their feelings on the subject. I recommend placing the petition on the Town's website so the public can see it.

Selectman Waddell: I agree, the public should have an opportunity to talk about it, and voice our opinions on the changes.

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Selectman Bridle: I can see this is important for the people who have water, and they should have a right to talk about and hear their concerns.

Selectman Bean: what is the position of North Hampton and Rye on this issue? Attorney Gearreald: no one has filed anything with the PUC to date; I do not know what their position would be on the subject. Selectman Bean: I think it would interesting to hear your efforts reaching out to North Hampton and Rye where they feel on this; the 5% sounds excessive to me as a business person for monthly billing; is this also for a rate increase. Attorney Gearreald: they are on a 5-year cycle with their rate increase; the last rate increase was filed in 2015, I would expect they would file for it in 2017.

Selectman Bean: this WICA charge is intended to accelerate the replacement of aging infrastructure; we should be addressing our infrastructure; we should be assessing what those costs look like and not waiting for holes to come in pipes and jeopardizing the beach; there is some commonality.

Chairman Griffin: when would we be inviting the public in? Attorney Gearreald: I would propose February 22, 2016; I would like to have your permission to write to the Commission and indicate to them that we are going to be conducting a public hearing here on that date and ask them to withhold acting on the petition until we give our input.

Chairman Griffin: do we need a motion for that? Attorney Gearreald: I am fine if you give me that consensus; the consensus was given by the Selectmen.

Chairman Griffin: what is the price for new trees? Town Manager Welch: trees can run anywhere between \$200-\$2,000 depending on the type of tree. Chairman Griffin: We should begin to ask individuals to have a memorial donation of trees instead of the benches. Town Manager Welch: it would be nice if people would donate flower trees. Chairman Griffin: maybe we can speak with Dyana about this.

Selectman Woolsey: did we send flowers and a card for Charlotte Preston's family? Town Manager Welch: yes, we sent flowers and a card and had the flag lowered to half-staff as they had donated the flagpole.

Selectman Woolsey: I agree with Jim that we need to get on top of the legislation better than we have been; I would like to schedule a meeting with Senator Stiles and the Representatives.

#### IX. Closing Comments (1:37:40)

Selectman Bridle: At one time, we tried to do pins for 20-25-30 year employees; I would like to think about having some decent made employee pins for Recognition of Service.

Town Manager Welch: we have a beautiful pin now and can simply have a banner added onto the bottom of each one.

#### X. Adjournment

Selectman Bean MOTIONED to adjourn the meeting at 08:34PM SECONDED by Selectman Bridle.

VOTE: 5-0-0

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Chairman