

Note: Draft minutes are subject to corrections, additions and deletions.

November 09, 2015

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

SALUTE TO THE FLAG

- I. Public Comment Period (4:50)
- II. Announcements and Community Calendar (4:55)

Selectman Woolsey: wants to thank the Manager and Assistant Manager for getting the USS Hampton memorabilia up on the wall.

Selectman Bean: in line with naval tradition; the US Marine Corp will be celebrating the 240th Birthday party November 10, 2015; will be at Ron Jillian's.

- III. Consent Agenda (6:20)

1. Petitions for (New) Gas Line Licenses: Woodland Road, Falcone Circle, and St. Cyr Dr

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

VOTE: 5-0-0

- IV. Appointments (6:47)

1. Trustees of the Trust Funds

Mr. Norm Silberdick: introduces the Trustees present; Stephen Falzone, William Hartley, John Troiano and himself, one was out of Town. Last year Mr. Bean reviewed the financial statements for the Town of Hampton and read them to the public. He mentioned the \$18,000,000-\$20,000,000 that is in the trust fund and then subsequently was informed in March of an attempt to put a warrant article to borrow funds from the trust fund to support various spending initiatives for the Town. Had further conversations where we have come in here and met with you and when that discussion was brought forth, we were not supporting that. I have a role as spokesperson for the rational taxpayers of Hampton, which is a non-profit corporation set up in the state of NH to provide information to the public about tax issues that we think are important. When I come here and I speak to you as the chair of the Trustees to the trust funds, my relationship with rational taxpayers is off the table.

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Chairman Griffin: well you are bringing it up now so you can just drop it.

Mr. Silberdick: let me finish my statement; on September 2, 2015, we received a letter from Mr. Welch as a result of your direction telling us to, basically liquidate the portfolio and get rid of all equities.

Chairman Griffin: I do not think what you are saying has any truth to it; let us just start with Mr. Welch to discuss what we are here to discuss. You are making things look like they are not; so you need to drop it; we are here to get information tonight.

Selectman Woolsey: Mr. Chairman and Mr. Silberdick we have invited the Trustees here tonight to clarify this situation and to get information.

Town Manager Welch: the Board of Selectmen instructed me to send a letter to the Trustees, asking you if you would please join them for a meeting this evening. To discuss the Securities and Exchange Commission's orders with regard to Mackensen & Co. and Warren J. Mackensen, regarding the investments of Town funds, which they are the overseers or the agents for the Trustees. The SEC issued an order recently, and talked about one point in their order about fraud and indicated there was a serious fine levered against both the company and the principal. The BOS wanted to talk to you this evening and get your input into what was going on, so they could consider this matter further if they need to and I should turn this over to counsel.

Attorney Gearreald: Mr. Welch sent you on behalf of the Selectmen the right to know law request, requesting emails or any communications concerning the SEC proceedings. Any and all communications including electronic or email communications among the Trustees of the Trust Fund whether as a group or singularly, whether replied to or not, concerning the SEC proceedings an order dated September 3, 2015 in administrative proceeding file 3-16780. Also, any and all communications including electronic or email communications between the Trustees of the Trust Fund, whether as a group or singularly, and whether replied to or not, and Mackensen Co. Inc. or Warren J. Mackensen concerning the SEC proceedings. On Friday, Mr. Welch was provided with a packet of information from Mr. Silberdick, but copying the other four Trustees. Is this now complete to the best of your knowledge. Mr. Silberdick: yes, to the best of my knowledge, that is all the information we have

Attorney Gearreald: is that true for all of you. The first email in here was from David Mays to the Trustees informing them of a SEC proceeding; is that the first knowledge that any of you had that there was an investigation by the SEC into Mackensen & Co. and Warren Mackensen. Mr. Silberdick: no

Attorney Gearreald: can you tell me when the first was. Mr. Silberdick: he had called me in the midst of the request by the Town for suggestions and ideas and we were trying to prepare a response. He said I just want you to know, this not coming at a great time, and he proceeded to tell me the situation with the fact that the SEC did an audit and they found improprieties with their advertising material that they sent to other municipalities. There would be a fine of \$100,000; the ruling had not come out yet; and I said would you please advise the other Trustees in writing, as I do not want to pass messages; send everybody an individual email, which he did.

Attorney Gearreald: he would be David Mays? Mr. Silberdick: yes, David Mays

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Attorney Gearreald: Mr. Mays is current the President and Chief Investment Officer of Mackensen & Co. Mr. Silberdick: that is correct

Attorney Gearreald: how long before this email of September 2, 2015 was that communication. Mr. Silberdick: probably a day or two before

Attorney Gearreald: what else did he say to you regarding the nature of the investigation? Mr. Silberdick: he went through what they did was wrong with regard to their advertising material they sent out, which is articulated in SEC findings. Then, subsequently I had a conversation with him and I said are you involved personally with this promotional program; did you have anything to do with the advertisement material that went out, and the answer was no. He had suggested a different approach with different materials and that was rejected by Mr. Mackensen and he proceeded to do what he wanted to do, trying to run his business in the best way he thought he knew how; that was the beginning and end of it. This happened after David bought the business; the audit by the SEC took place in 2012 a few months after he acquired the business.

Attorney Gearreald: this subsequent conversation, I did not see that in the email. Mr. Silberdick: it was not an email; it was a phone conversation.

Attorney Gearreald: when was that? Mr. Silberdick: a few days ago, I just wanted to make doubly sure that he was not involved in any of this personally

Attorney Gearreald: a few days before tonight, you mean? Mr. Silberdick: yes

Attorney Gearreald: did you come to any understanding of how long Mackensen & Co. has been under investigation? Mr. Silberdick: other than the fact that he said it started in 2012, it was news to me

Attorney Gearreald: when did he say it started in 2012? Mr. Silberdick: when I spoke with him the first time .

Attorney Gearreald: did you pass that information along to the Trustees, of the fact that this had been going since 2012. Mr. Silberdick: I did not, I told him to write to the Trustees and explain what was happening; I did not write an email to the Trustees or engage in a phone call with the Trustees, I asked him to do it; I do not want to pass messages and not have all the facts

Attorney Gearreald: so we have this email from David Mays to you and the Trustees of September 2 where he informs you of an audit conducted by the SEC at the end of 2012. Beyond what appears in this email; was there any further description to you orally or otherwise about what was involved? Mr. Silberdick: no, other than the next day he sent another email on September 3, 2015, indicating that they had received the ruling, it was posted and where we could go to get it to look at it.

Attorney Gearreald: what did the Trustees do in response to the settlement issue? Mr. Silberdick: we did nothing until we met on October 19, 2015.

Attorney Gearreald: did the Trustees have communication regarding this SEC. Mr. Silberdick: no.

Attorney Gearreald: either orally or in writing? Mr. Silberdick: no, I did not provide anything or do anything until we met.

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Attorney Gearreald: what efforts did any of you make to follow up on the information from Mr. Mays' emails of 9/2/15 and 9/3/15?

Mr. Troiano: I did not discuss anything until our October meeting, and at that meeting, I did make it clear how angry I was about the situation.

Mr. Hartley: I am a friend of Warren Mackensen, he is an unusual planner, plans everything step by step; very methodical; very conscious about compliance; very surprised to see in his report that his manual did not cover this advertisement; no doubt in his mind that this advertisement was his; the mistake he made was not saying this was hypothetical. I have not spoken to him about this.

Attorney Gearreald: the question was once you learned from Mr. Mays communication that Mackensen & Co. was the subject of an SEC audit and further there had been an order censuring Mackensen & Co. & Mackensen; what did you do you as a trustee do to look into it. Mr. Hartley: I did not know about the audit until I got the September 3, 2015 decision

Attorney Gearreald: once you learned about it, what did you do? Mr. Hartley: I read it and I understood exactly what had happened. I also knew that none of those statements were ever made to us as Hampton Trustees; they were made to other Town's that he was trying to solicit, but we had already hired Warren way before that, so none of those things were done to Hampton, so I did not consider that an important thing for us.

Mr. Falzone: I got the email and went to the SEC website, read the order and I was unable to attend the meeting on October 19, 2015.

Attorney Gearreald: but my question is for now, what did you do yourself, once you learned about this from Mr. Mays emails and the attachments; what did you do about looking into what he was telling you. Mr. Falzone: there was no communication other than my personally reading the SEC order; I did not communicate with anybody.

Mr. Silberdick: well he did send an email to Mr. Mays asking about whether NH Securities

Mr. Falzone: yes, I forgot about that.

Mr. Silberdick: he indicated the assets under management were greater than \$125,000,000; the SEC, not the State of NH, who would manage it.

Attorney Gearreald: other than that, anything else? Mr. Falzone: no

Attorney Gearreald: Mr. Silberdick did you follow up on those two emails 9/2/15 and 9/3/15 from Mr. Mays in any particular way. Mr. Silberdick: no, the next communication was on 9/25/15 when I and all the other Trustees received a packet in the mail, which included a copy of the SEC ruling, the ADV and a new Mackensen & Co. brochure, which discloses their investigation with the SEC and their censure.

Attorney Gearreald: Mr. Silberdick, the disclosure you mentioned from Mackensen & Co. on 9/25/15 seems to have been addressed to you and does not indicate it was sent to the individual Trustees, was it sent to each of you individually?

Mr. Troiano: not that I recall.

Mr. Hartley: I do not recall.

Mr. Falzone: can you ask me that question again.

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Attorney Gearreald asked the question again.

Mr. Falzone: I do not recall.

Attorney Gearreald: do you ever recall seeing this firm brochure, which is 2A of the form ADV?

Mr. Hartley: yes, but I do not know when, around the second of September.

Mr. Troiano: I never saw that.

Mr. Falzone: I do not recall, it could have come in the packet from David (Mr. Mays)

Attorney Gearreald: what discussions did any of you have amongst yourselves prior to meeting on the subject of October 19, 2015 in response to this mailing of 9/25/15?

Mr. Troiano: none.

Mr. Hartley: no.

Mr. Falzone: no.

Mr. Silberdick: I did, I wanted to make sure it was on the agenda. Attorney Gearreald: with the Trustees? Mr. Silberdick: yes, absolutely

Attorney Gearreald: the agenda was prepared for the October 19, 2015 meeting? Mr. Silberdick: right, it was not included and I contacted David and said I want to make sure that was the first item of business

Attorney Gearreald: was that specifically listed on the agenda? Mr. Silberdick: no, but it became the first item of business. Attorney Gearreald: so in preparation of the meeting on October 19, 2015 was there a posted agenda that listed this item that was going to be discussed. Mr. Silberdick: no.

Attorney Gearreald: did any of the rest of you have communication with Mr. Mays prior to the meeting of October 19, 2015?

Mr. Troiano: no

Mr. Hartley: no

Mr. Falzone: just my question about the State of NH, that was it.

Attorney Gearreald: Mr. Silberdick I believe you had some communication however with Mr. Mays prior to the meeting of October 19, 2015.

Mr. Silberdick: not really, I just wanted to make sure it was on the agenda.

Attorney Gearreald: I believe you indicated to Mr. Mays in an email on October 8, 2015 that you provided; "David I want this issue behind us and I think we should not eliminate its discussion at the Trustees meeting of the 19th and may be treat it as other business;" is that your communication? Mr. Silberdick: yes, if it was not on the agenda, but I made it the first item on the agenda. I also would like to indicate I invited the Board of Selectmen to attend the meeting on the 19th because we were going to meet with you later that evening

Attorney Gearreald: was the meeting of October 19, 2015, the one we are referring to now; this was a public meeting held in this room at 4:00. Mr. Silberdick: yes

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Attorney Gearreald: who attended at that meeting? Mr. Silberdick: the Trustees, with the exception of Mr. Falzone, Joan Rice. Attorney Gearreald: Who else was there: Mr. Silberdick: Mr. Mays, Mr. Stokes and Warren Mackensen was there

Attorney Gearreald: who is Mr. Stokes? Mr. Silberdick: he works for David as an analyst.

Attorney Gearreald: other than that meeting, was the issue of reaffirming the relationship with Mackensen & Co. brought up at any other meeting. Mr. Silberdick: no.

Attorney Gearreald: was that the sole meeting where that issue was discussed. Mr. Silberdick: that is the only meeting we have had. Attorney Gearreald: there was no other meeting called to discuss that issue. Mr. Silberdick: no.

Attorney Gearreald: so there was no investigation by any of you into the substance of the proceedings involving the SEC other than reviewing the materials sent by Mr. Mays? Mr. Silberdick: correct.

Attorney Gearreald: do any of you have any relationships business wise with Mackensen & Co; or Mr. Mackensen himself?

All Trustees answered no

Attorney Gearreald: at your meeting of October 19, 2015 with the BOS; did you make any effort whatsoever to communicate to the BOS that this issue was being discussed. Mr. Silberdick: no. Attorney Gearreald: did you make any effort to tell the BOS that this decision to reaffirm the relationship with Mackensen & Co. had occurred. Mr. Silberdick: no.

Mr. Troiano: we figured it would come out in the minutes.

Attorney Gearreald: did you feel that the issue of what was ordered by the SEC was a matter of concern for you as Trustees. Mr. Troiano, I believe you in the minutes reflect that you had a discussion about whether or not this involved any of the individuals still employed by Mackensen & Co., is that correct? Mr. Troiano: yes, I felt we should have known the audit was going on; and that they are to inform us in the future; I did not like the fact that this was being kept quiet for a couple of years. We did reaffirm Mackensen & Co. as the advisor, but I reaffirmed David Mays; in retrospect I think we should have waited a bit, because my concerns were is Warren Mackensen still being compensated and if so, we should reconsider this? I think Mackensen & Co. should become Mays & Co as they do not want to be associated with a plane crash.

Attorney Gearreald: Warren Mackensen appears to have retired in June, is that right, to your knowledge. Mr. Troiano: yes, to my knowledge.

Attorney Gearreald: do you know whether he still has any financial interest in Mackensen & Co. Mr. Troiano: I do not know, but I would like to know that

Attorney Gearreald: yes, we would too. Do you know the particular investments that Mackensen & Co. makes for the Trustees, if Mr. Mackensen still has any interest in that by virtue of the National Advisor's Trust?

Mr. Troiano: I am not aware of that.

Mr. Hartley: I do not believe he does.

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Mr. Silberdick: I am not aware, but I will say that I asked David is Warren paying the fine and he said we have an obligation to pay it.

Selectman Bean: I did read in the requested information that you provided Mr. Silberdick; that Mr. Mays did write there is an income stream to Mr. Mackensen, and that somehow, that is being worked out on the fine.

Attorney Gearreald: the question still needs to be asked of Mackensen & Co. if there is a royalty stream or whether there is some payment still need to be made and for what reason, right.

Mr. Troiano: yes

Mr. Hartley: I do not think it needs to be asked; that is a transaction between Mr. Mays and Mr. Mackensen; it does not have anything to do with the Trustees

Mr. Silberdick: we can ask, but I do not think it is going to affect our relationship as our relationship is with David Mays, and the other four people in that firm.

Selectman Bean: read a paragraph that confirmed that there is an income stream.

Attorney Gearreald: how many employees does Mackensen & Co. have? Mr. Silberdick: Mr. Mays and Steve Stokes are the two principals of the firms, Jarrod Brock is an analyst and there are two women working in the office.

Attorney Gearreald: Mr. Mays has been associated with Mackensen & Co. since 2008, is that correct?

Trustees: yes.

Attorney Gearreald: since you have been Trustees, has Mr. Mays been the one you have seen, more of than Warren Mackensen.

Mr. Silberdick: yes, he has been the one to do the actual trading and the investments for the Trustees.

Attorney Gearreald: has that been the case since 2011 when Trustees hired Mackensen after the competitive process.

Mr. Silberdick: Warren has always been the front person presenting the agendas and he would give the presentation on anything involving the technical issues of the investment review; planning strategy was always David who would take control of that conversation.

Attorney Gearreald: when you did the competitive process of selection of the investment advisor after the AG's office had its proceedings; did Mr. Mays present the bid.

Mr. Silberdick: no, Mr. Mackensen presented the bid; David was there, but Mackensen did all the presentations.

Attorney Gearreald: you had narrowed it down to eight firms back in 2011 to interview, and you conducted an interview with Mackensen & Co. and others; and they gave you the presentation that ultimately, you agreed to select, and that is the one where Mr. Mays was there as well? Mr. Silberdick: yes.

Chairman Griffin: I just want to say again that this is not a hostile meeting, we are only here to gather some information and we are expecting to find out more information later on in the

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week. One of the problems I have right now, for both Mrs. Woolsey and Mr. Silberdick to make me look like I am against you, which is not true. I am supportive of the Supervisors of the Trust Fund. Nobody here has decided about the warrant articles yet, and to sit there and act as if we are doing that, when it has not been decided, I have a problem with that. The only problem I have with what has happened so far, is why it was not passed onto us, particularly when everyone knew it before.

Selectman Bridle: I think we all have had concerns, the word transparency is thrown around a lot, but when you met with us, we did not hear about it and then we get this ruling back and we know nothing about it, \$100,000 is strong, a censure is strong. We all know that was a negotiated pleas or settlement, so obviously it had been going on a lot longer since September 3; and it seems you did not know about it, which is concerning, it is not against the Trustees. I think it would have been helpful if we had known about that on October 19 when we met; it might have been better. It is very concerning for us and the other 29 Towns.

Selectman Woolsey: has the Town of Hampton suffered any monetary losses, inconveniences, or problems, because of the SEC ruling?

Trustees: no.

Selectman Bean: I've read Hampton Union headlines from January 31, 2011; Mr. Mackensen had several roles with the Trustees, and the Trustees voted to oust Mr. Mackensen at that time. Gave an overall of all the infractions that Mr. Mackensen has done; and the Trustees voted to reaffirm the use of Mackensen & Co.

Mr. Troiano: nothing here had anything to do with the investments at all; the accounts have performed fine.

Chairman Griffin: To make it clear, we are not here to talk about the way the fund is working; we are here to talk about these other issues.

Selectman Bean: it continues to boggle my mind on what is going on here; this has to deal with the law, full transparency and for our citizens to know what is going on with their money.

Selectman Waddell: I absolutely know 100% when you send out a perspective it has to be 100% true, or state that it is not; it was false advertising. While this audit was going on, why did they not let you know this was going on; it had to be known it was fraud and the SEC thinks that. When it was going on because you did have a large amount, of money he handles \$165,000,000 and you handle \$20,000,000 so you must be a large client of his. You should have been informed that this audit was going on, my trust in that company would be diminished and that should have been something brought up to us and to the public. Transparency again is important; we are having a problem with trust with the person who has \$20,000,000 of our money, why did they not come and tell us there may be a problem. I do not see why, since there are other companies that could do just as well; and there have been questions with this company prior to this, there are questions now, why not move it to somebody else. At least give a very good explanation to the public on why you are not moving it, and why with these not only allegations, but also settlements; why you believe you can still trust this company.

Chairman Griffin: I was here before when there was a problem with Warren Mackensen and it was very unpleasant. I knew about this back the end of September because somebody tipped me off, and I thought maybe that it mixed up from what happened before. Now, I realize all

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of you knew about this, which is the problem I have, why we were not informed, so that we could support you.

Mr. Troiano: I do not know what the procedure is to let you know, figured you would see it was in the minutes.

Chairman Griffin: your minutes are not on the Town website. Mr. Silberdick: they are on Trustees website

Chairman Griffin: I do not understand why they are not the Town website; that is something the people of Hampton would like to have your meeting on our website.

Selectman Bean: they are on the Library's website, not the Towns.

Mr. Silberdick: I thought there was a link between the two websites and I want to indicate again, we invited you to that meeting.

Chairman Griffin: I know, but we wanted you to come here and tell us information, but you did not; none of us went because you were coming here. How will the voters see this situation? We want to wait a week or two to see what is happening with these other Towns, and then I assume we would like you to reconsider your vote to keep Warren Mackensen & Co.

Mr. Silberdick: at our meeting on October 19 when we had the discussion, our relationship is really with David Mays, Steve Stokes and the other people in the organization. We were all taken back that we were not informed; we should have been by Warren and by David. Their performance has been stellar; the information we receive from them is timely and accurate and has done a great job for this Town.

Chairman Griffin: we are just here gathering this information.

Selectman Bridle: Mr. Mays has done a good job, but he has been there since 2008, this is all stuff he should have known about, shame on him for not telling you.

Selectman Woolsey: the SEC were investigating this for 3 years, are they under any obligation to notify anyone.

Mr. Troiano: not until it is final.

Attorney Gearreald: they did not question any of you?

Trustees: no.

Selectman Waddell: I do not care how good the deal somebody makes with me, I am not doing business unless they are 100% honest; I think that is something we really have to look at, why weren't you informed.

Mr. Silberdick: we will take your suggestion about having the minutes on the Town's website; also going to have a formal review on Mackensen & Co.; our January 21, 2016 meeting this is on the agenda.

2. Dyana Martin, Director of Parks and Recreation (1:20:07)

a. Departmental Update

Ms. Martin: kept up with parks maintenance, worked on last warrant article for this year; parking lots have made \$579,466, still four concerts to go, \$64,000 above last year; recreation programs had a great year, summer programs finished; taking registrations for upcoming trips.

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Selectman Waddell: excellent.

Selectman Bridle: good to see all you do; we appreciate all you do.

Selectman Woolsey: excellent report; great news on the parking lots.

Chairman Griffin: the parking lots are such a big Town asset.

Selectman Bean: you do wonderful work.

b. Warrant Articles

Ms. Martin: I have two warrant articles this year; the first warrant article is to make the Parks Foreman position full time. The appropriation sum of \$43,368 for the purpose of changing the Parks Foreman position in the Parks and Recreation Department from part time to a permanent, year round, full time position. If this warrant article passes, the \$22,452 appropriated in the operating budget for the part time Parks Foreman position will not be spent.

Chairman Griffin: I understand how you need someone there, I will not be supporting this; because will need more concrete information with how we will deal with insurance in the future; maybe see another part time person there.

Selectman Waddell: I see how much use the parks have been getting and how well kept they are; I would support it to go out to the voters and the voters can make up their minds whether they want it or not.

Selectman Bridle: you told us a lot of the stuff they do, but I want to know what is not being done due to the part time constraints.

Ms. Martin: basically what is being done is the general stuff getting ball fields ready for play and trash pick-up; the other things that are not getting done are the things you need two people for; they over laps some, replacement of signs, equipment installation.

Selectman Bridle: As you said both employees are only 28 hours; I think there is a need for it and I would like the voters to have that choice.

Chairman Griffin: I am not going to be in favor of any new full time employees in any department.

Selectman Woolsey: you do a remarkable job, I am concerned about our retirement and medical costs; I will not support any requests for any full time employees; as a warrant article, the wording is a problem, correct the language.

Selectman Bean: would like a synopsis from the Town Manager and Assistant Town Manager on how your maintenance needs, your operating needs can be aided and abetted with the Public Works Department.

Ms. Martin: The second warrant article is the Recreation Infrastructure Special Revenue Fund; to raise and appropriate \$115,350; and to authorize withdrawal of 115,350 from the Recreation Infrastructure Special Revenue for the purchase of a 1-ton dump truck to replace the 1999 dump truck; new playground equipment to replace obsolete equipment at 5 Corners Park; for the first article, I am asking for a little over \$43,000, which is .016 on the tax rate; the second warrant article will come out of the special recreation fund and will have no tax impact.

Chairman Griffin: it would be good to have this information; is there some way to be raised corporately; try to get some grants.

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Selectman Waddell: how much is in that fund right now.

Selectman Woolsey: \$139,892.

Selectman Bridle: so it is coming out of a fund.

Selectman Waddell: so it has no impact on the taxes.

Selectman Bridle: that park definitely does need to be retrofitted; the dump truck needs to be replaced.

Selectman Bean: there is no tax impact, you generate revenue; recreation is important; I support it.

V. Approval of Minutes

1. October 26, 2015

Selectman Woolsey MOTIONED to approve the minutes of October 26, 2015 SECONDED by Selectman Waddell.

VOTE: 5-0-0

VI. Old Business (1:58:29)

1. Review of Warrant Articles

a. Conservation Commission Warrant Articles

Jay Diener, Chair Conservation Commission and Rayann Dionne, Conservation Coordinator

Mr. Diener: we are looking to rebuild the Conservation Land Fund; its primary use is for Conservation, Conservation Easements and maintenance of the properties we own or manage on behalf of the Town. There is currently about \$108,000 in that fund; around \$46,000 was allocated for the replacement cost of the ice pond dam and part for engineering which leaves us roughly \$60,000 in the fund that is available. At one point in time that fund totaled over \$450,000. We are looking to increase it to a \$20,000 warrant article. We are looking at a number of properties in Town for conservation purposes. We are looking for the Town's support to help continue to build up that fund for the Town's benefit.

Selectmen have no problem with the warrant article.

Ms. Dionne: the next one is the Land Use Change Tax Fee is applied to parcels that are taken out of current use, which is a discounted tax rate for parcels that are greater than 10 acres and maintained in an undeveloped natural use state. There is a fee based on 10% of the fair market value that is applied when that parcel is developed. In 1995, there was an approved warrant article, which allocated 100% of the Land Use Change Tax Fee up to a maximum of \$10,000 per year to the conservation land fund. Only about 18 parcels in Hampton are greater than 10 acres in current use without any conservation protection. We believe it would be a good idea to adjust this warrant article for two reasons. The first is an opportunity to help fund our land fund; and two it seems fitting that the parcels are receiving a discounted tax rate because they are keeping it in such an open space undeveloped, and then when they are changing that the fee that they are charged be put towards conserving open space somewhere else in Hampton. We would like to change it to 100% of the land use tax with no maximum on it.

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Selectman Waddell: right now, it is up to \$10,000. Ms. Dionne: a year, yes; over the last 10 years we have had \$21,000 contributed to our fund.

Selectman Bridle: it is hard to take that 100%; I could be supportive at 50% of that; it is put back into the general fund to reduce charges.

Chairman Griffin: I myself would not be in favor of this warrant article.

Selectman Woolsey: I support the whole article as is.

Selectman Bean: I do not support the article.

Ms. Dionne: The next one deals with tax lien parcels; expand the 1972 warrant article to include parcels that are adjacent to the salt marsh, that are vacant with no structures.

Selectman Waddell: I am uncertain right now.

Selectman Bridle: I think it is a good idea, but want to look at it more.

Chairman Griffin: I myself am not clear on it and want to take a further look at it.

Selectman Woolsey: I support it.

Selectman Bean: I will not be supporting it

Mr. Diener: last year we had a warrant article to fund the replacement or rebuilding the ice pond dam; it was not a non-lapsing article and we felt confident that we were going to get the work initiated during this calendar year; however, there were obstacles. This new warrant article is just reallocating the same \$90,000, which was already voted on and approved.

Selectman Waddell: fine.

Selectman Bridle: fine.

Chairman Griffin: I always go along with what the people voted

Selectman Woolsey: question to Fred; should that say "shall" the Town of Hampton raise and re-appropriate the fund

Town Manager Welch: no, because if the contract is not issued by 12/31/15 the money will go to the fund balance; so you will have to appropriate it out again.

Selectman Woolsey: I am in favor of it.

VII. Town Manager's Report (2:13:25)

1. The American Legion Post 35 Veterans Day Ceremony will be held at the Marine Memorial on November 11th at 8:00AM, and at 11:00AM in front of Post 35.
2. Please be advised that the Department of Public Works will not be collecting rubbish and recycling on Wednesday, November 11th. Wednesday's routes will be collected on Thursday and Thursday and Friday routes will be collected on Friday.
3. Fall Leaf Collection will take place the week of November 16th through the 20th. Please place your bagged leaves, grass clippings, pine needles, etc. at the curb on the same day as your regular trash and recycling pickup. Materials must be in biodegradable paper bags or loosely packed containers.
4. The Transfer Station will be closed on Veteran's Day November 11th.

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5. The Town will be auctioning the property located at 27 Pearl Street in early December. Please keep an eye on the Town Website and in the newspaper for the date and sale information.
6. The Army Corp of Engineers has announced that it will begin the administrative process for repairing the Hampton Harbor North Jetty.
7. Winter parking ban in the Town ordinances; starting November 15, 2015 through March 15, 2016 there is no parking from 1AM to 7AM on any street in Town. Winter parking bans will be put into effect with proper notice for emergencies, and during that time, people may park in the Town parking lots at no cost.
8. We did receive a check from Comcast for \$88,842.04, which is the franchise fee payment.
9. The 2015 Annual Meeting and Board of Directors election for the Health Trust is coming up; it would be good if Board members attend.

Selectman Waddell: do we have to approve somebody to be the voting delegate at that. Town Manager Welch: yes. Selectman Waddell: I will volunteer to do that

Selectman Bridle MOTIONED that Selectman Waddell be the voting delegate at the 2015 Annual Meeting and Board of Directors Election for the Health Trust SECONDED by Selectman Bean.

VOTE: 5-0-0

VIII. Old Business (2:19:00)

1. Review of Warrant Articles

Town Manager Welch: there are a number of warrant articles scheduled for tonight that we had not gotten to yet. The first one is to accept the lettered streets; as you know we have been doing a lot of research into roads on which ones are accepted or not, so we have devised a warrant article to accept those streets. This includes all the lettered streets A–Q, Atlantic Avenue, Bradford, Concord, Dover, Epping, Haverhill and River, they all become Class 5 Town highways officially. We do this to have a legal record of acceptance of these roads.

Town Manager Welch: Discontinue E Street; when the Town deeded out all the land where the Casino is now, they did not deed out E Street, it is still there, so by accepting all the lettered streets, we then have to discontinue E Street, to clear title.

Town Manager Welch: Human Service agencies; we are still waiting for the New Generations Shelter's figure.

Town Manager Welch: Amend the condition for the Real Estate Trust Fund, it is up to the Board; this would allow the Town by the vote at Town meeting to borrow funds from the Real Estate Trust Fund and not have to pay it back with interest.

Town Manager Welch: Town Office Safety and Energy Improvements, asking for \$100,000 for the purpose for replacing the glass in the Town office; it is not safety glass and is dangerous and cause a problem; the windows are drafty. Want to be able to open a few of the windows to air out the building.

Selectman Bridle: this is an old building and the windows are drafty; I think the \$100,000 could go a long way and pay for itself over a number of years.

Chairman Griffin: I will not be supporting this year.

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Town Manager Welch: Amend disposable surplus Town property and materials ordinance; this would allow us instead of actually offering for sale, an opportunity to take recyclable metals to a Junk or Metal Steeler for sale. There is an auction requirement and a current ordinance, we have sold some of these things for \$150-\$200 when they could be picked up and taken to the Metal Steeler for \$500-\$600.

Town Manager Welch: Reserve Fund for Unusual Weather Events; we need to have some reserve funds for those types of occurrences; we currently have zero; initially to put \$50,000 into it.

Selectman Bridle: I look at this as an insurance policy, we do not have to pay it every year.

Selectman Woolsey: too many funds, I do not want to start another one.

Selectman Waddell: self-insuring, it is a good idea.

Chairman Griffin: I will not be supporting this year.

Town Manager Welch: Town War Memorial, we do not have one; we have approximately 2,000 veterans that are not recorded on any of our stones in Town; this would provide \$5,000, to study this and the funds which would come from the unreserved designated fund balance to study this and then produce a report by March 31, 2019.

Town Manager Welch: Compensated Leave Trust Fund; this fund exists, question it should we appropriate funds for it, we are approximately \$1.4 million dollars in arrears in the fund, and have approximately \$290,000 that we have put aside. Arbitrary amount of \$100,000 in the fund for the undesignated fund balance; if approved, to start funding some of the arrears and delinquencies we have; I would not encourage the Town to fund the entire fund because it goes up and down. We should have some safeguards in case we have a large number of employees retire at the same time that would cause a severe drain on our existing funding.

Selectman Waddell: this is something we desperately need to do.

Chairman Griffin: not in favor.

Selectman Woolsey: not in favor.

Selectman Bean: We have contractual obligation, the retirement system is underfunded, I agree with Selectman Waddell, we need to bring the fund up to standard.

Town Manager Welch: Budget Article, that is set by statute and when the budget committee finishes with their work, we will be plugging the dollar figures in there, and last week you heard from the Assessor on the reassessment of utility properties, so I will not repeat them.

2. Vote on Approval or Disapproval of Fire Department's Warrant Articles

Fire Department Capital Reserve Fund; total cost \$100,000

Town Manager Welch: you would have to create the fund and put money into it; we do not currently have one. One being discontinued two years ago and the following year, members of the budget committee were upset because it was discontinued and they wanted a new one.

Chairman Griffin: do you suggest it? Town Manager Welch: I have to admit that fire trucks are getting much more expensive, they are now \$750,000 for a pumper and \$1,250,000 for a ladder truck, and will be looking for a ladder truck soon for the Beach Fire Station. I think we need to study and think about this some more.

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Chairman Griffin: we are going to review the following (6) articles as the priorities of the Chief.

- (1). Radio System Upgrade (FDDA); replace all four lines; total cost would be \$9,000

Town Manager Welch: recommended to come from surplus to pay for the cost

Selectman Bean MOTIONED to support this article SECONDED by Selectman Bridle.

VOTE: 4-0-1(Woolsey)

- (2). Live Fire Training; simulates real fire scenarios; total cost \$22,000

Town Manager Welch: this is \$22,000 for live training for the fire fighters in actual fire conditions; we recommend it to come from the unfunded balance

Selectman Bridle MOTIONED to support this article SECONDED Selectman Bean.

VOTE: 4-0-1(Woolsey)

- (3). Replace two Fire Command Vehicles; total cost \$90,000 at State bid pricing

Town Manager Welch: these are the vehicles used by the Chief and the Deputy Chief, they are currently 2003 and 2004 Suburban's which are in terrible shape; \$90,000 to come from surplus.

Selectman Bridle MOTIONED to support this article SECONDED Selectman Bean.

VOTE: 4-0-1(Woolsey)

- (4). Replace Fire Department Phone System; total cost \$27,000

Town Manager Welch: this no longer operates well and it is out of commission frequently; needs to replace the entire phone system for both stations.

Selectman Bean MOTIONED to support this article to SECONDED by Selectman Bridle.

VOTE: 4-0-1(Woolsey)

- (5). Replace Fire Turnout Gear; \$18,000 for six sets

Town Manager Welch: replace the Turnout Gear for \$18,000; this is the beginning of a five-year program to make sure the gear is replaced before it reaches its age limit of ten years

Selectman Bean MOTIONED to support this article SECONDED by Selectman Bridle.

VOTE: 4-0-1(Woolsey)

- (6). Self-Contained Breathing Apparatus (SCBA) Filling Station

Town Manager Welch: the Self-Contained Breathing Apparatus (SCBA) Filling Station needs to be replaced, as we cannot obtain parts; the one we have is circa 1987; new one would cost \$50,000.

Selectman Bean MOTIONED to support this article SECONDED by Selectman Bridle.

VOTE: 4-1-0(Woolsey)

- (7). New Statute - an Appointed Term for the Fire Chief

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Town Manager Welch: I put this one in here, as it is a new statute instead of having a definite term for the Fire Chief, having an appointed term.

The Selectmen do not support this.

(8). Fire Department Capital Reserve Fund; total cost \$100,000

The Selectmen do not support this.

(9). Fire Inspector Vehicle; total cost \$40,000 at State bid pricing

Town Manager Welch: I recommend you not appropriate this

The Selectmen do not support this

(10). Fire Inspector; total cost \$82,010

Town Manager Welch: annual cost would be \$109,346

Selectman Waddell: things are going smoothly without it

Selectman Bridle: always felt they needed this position, but if not this one, then we at least need to support the full time secretary.

Chairman Griffin and Selectman Woolsey: against.

Selectman Bean: would like the manager to explain that there was a change in personnel; and what has transpired. Town Manager Welch: everything is transpiring exactly the way it should; we are doing all of our inspections, they are being done timely; no one waiting in line, things are being done quickly; we are up to date; we are running pretty well at this point.

Selectman Bean: I do not support the full time fire inspector.

The Selectmen do not support this article.

(11). Fire Prevention Secretary become full time; total cost \$45,365

Town Manager Welch: this position works 28 hours a week, but would like her to work 40 hours per week; this person works on the ambulance billings, and if she is going to work the additional hours and work on the ambulance billings then it should come from the EMS funds

Chairman Griffin: how would that work? Town Manager Welch: there would be an allocation of funds to pay.

Selectman Bridle: This position is crucial.

Selectman Bean: Very important position and support this article.

Selectman Waddell MOTIONED to support this article SECONDED by Selectman Bridle.

VOTE: 3-2-0(Griffin, Woolsey)

(12). Ice Rescue Equipment; total cost \$8,000 – Not discussed

IX. New Business

1. Printing of 2015 Annual Report

a. Purchasing Policy Waiver Sections 718-4.A(1)-(4)

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Town Manager Welch: we went out to bid, and Kristina is recommending that we continue with the Country Press; none other were to our specifications

Selectman Waddell MOTIONED to Waive the Purchasing Policy Section 718-4.A (1)-(4) and to award the printing of the Annual Report to Country Press for \$5,309.93 SECONDED by Selectman Bridle.

VOTE: 5-0-0

Chairman Griffin: please send your cover suggestions to Kristina.

Selectman Woolsey: I have a suggestion for the dedication of the Report to be former Fire Chief William Sullivan.

X. Closing Comments

At approximately 10:05 PM, a MOTION was made by Selectman Bridle to go into a non-public session under RSA 91-A:3,II,(a), & (c) after closing comments SECONDED by Selectman Bean a roll call vote was taken with all in favor.

VOTE: 5-0-0

Chairman