

**Town of Newport
Board of Selectmen
Regular Meeting/Public Hearings
7:00 PM – Municipal Building
Minutes of March 15, 2010**

MEMBERS PRESENT: Virginia Irwin, Chairman; Jeffrey Kessler, Vice Chairman; Beverly Rodeschin, Elizabeth Maiola, Gary Nichols.

STAFF PRESENT: Daniel P. O'Neill, Town Manager; Paul Brown, Finance Director; Larry Wiggins, Public Works Director; Robert Naylor, Water Superintendent; Julie Collins, Planning & Zoning Administrator; P.J. Lovely, Recreation Director.

PLANNING BOARD MEMBERS PRESENT: Howard Dunn, David Burnham.

ZONING BOARD MEMBERS PRESENT: Henry Rodeschin, James Burroughs, Donald Boutin.

CALL TO ORDER: Chairman Irwin called the meeting to order at 7:02 p.m. followed by the Pledge of Allegiance.

AGENDA REVIEW: Town Manager O'Neill added **FIRST BUSINESS: Review of Warrant Articles**, and removed **NON-PUBLIC SESSION**.

MINUTES: On a motion by Selectman Rodeschin, seconded by Selectman Nichols, *the Board voted unanimously to accept the minutes of March 1, 2010.*

SELECTMEN'S FORUM: Chairman Irwin opened the discussion to anyone from the public who wished to address the Board.

Mr. Lovely, Recreation Director, said he and Steve Smith from WCNL radio would like to get the Board's approval and thoughts on resurrecting the Sugar River Raft Race. Selectman Nichols suggested that Mr. Lovely have a conversation with both Police and Fire Departments for their thoughts. Mr. Lovely said they would be sure to clean up after the event and he would talk to Mr. Brown about liability insurance. Town Manager O'Neill said there should be no alcohol allowed. Selectman Nichols was in favor of the event. Chairman Irwin said Mr. Lovely had tentative approval.

Selectman Nichols talked about his recent trip and to Las Vegas and the grim financial situation that city was in.

Selectman Maiola congratulated the two children of Town employees who were finalists in the Newport Rotary Club Four-Way Speech Contest. The winner was Sarah Wiggins, daughter of Larry Wiggins, Public Works Director, and third place winner was Brittany

Pitkin, daughter of Lisa Pitkin, Executive Assistant. Selectman Maiola announced that Tuesday, March 23, 2010, at 6:00 p.m., there would be a visioning session for the Master Plan at Richards School.

BERNIE WAUGH – LEGAL UPDATE: Mr. Waugh, attorney at Gardner, Fulton & Waugh, was present to review the 2009 Municipal Law Update (copy attached).

There was general discussion about some of the changes. Mr. Waugh did not feel there were any other significant changes since this publication.

PUBLIC HEARINGS:

Out of Order of Agenda

Chairman Irwin opened the Public Hearing to address the issuance of a \$7,600,000 bond under RSA 33:8-a for engineering and construction costs of modifications to the Wastewater Treatment Plant at 7:52 p.m.

Mr. Brown distributed a spreadsheet entitled *Phosphorous Removal WWTP Upgrade Bond*, dated March 15, 2010 (copy attached). He said the Town is applying for USDA assistance for this project, which could fund up to 75% of the project. He said the whole project needed to be approved in order to start the application process for funding. Mr. Brown reviewed his figures on the spreadsheet showing the payments with the grant money and without.

Mr. Robert Collins, a Newport resident, identified himself as a water and sewer user. He asked what portion of the new sewer rate would cover the bond. Mr. Brown stated that the 25% increase was partially to cover current operations with \$1.50 to cover the phosphorous study done last year. Mr. Collins asked what the amount per thousand would be should the cost be put on the tax rate. Mr. Brown distributed a spreadsheet entitled *Analysis of Capital Bond Cost Sharing* dated March 15, 2010 (copy attached). He reviewed the figures, which showed .30 on the first year, decreasing over time, if it went on the general tax rate. Mr. Collins asked if this article is defeated at Town Meeting, who would be fined. Mr. Waugh stated that the Town would be fined, as opposed to just the Water and Sewer Department. Mr. Collins felt that the water and sewer users would benefit if it were defeated because the whole Town would pay the fines. Mr. Collins asked the Board why they were reluctant to have the Town pay for at least half of the improvements by the general taxpayer. Chairman Irwin stated that there is no reluctance; that the Board planned to have a discussion on this topic at some time in the near future. She said the distribution of the costs has not yet been discussed. Selectman Kessler pointed out that having a fine imposed on the Town would not benefit anyone. Town Manager O'Neill said that they were not looking at costs on this until 2014 but needed to get approval this year to meet the deadlines mandated by the EPA. He pointed out that the spreadsheet is just a snapshot and does not take into consideration some of the manufacturers in Town that use a high percentage of the services. Town Manager O'Neill said they needed to pass this item this year and agreed that this needed

to be studied to allocate costs appropriately. He did not feel they were in a position for this year's Town Meeting to have this discussion. Chairman Irwin agreed the discussion needed to happen, but it was not the purpose of this present public hearing. Mr. Collins said that he would be more in favor of voting for this article if he knew what the plan for payment was.

There were no further comments, so Chairman Irwin closed the Public Hearing at 8:18 p.m.

Chairman Irwin opened the Public Hearing to address the issuance of a \$3,000,000 bond under RSA 33:8-a for the costs of closing the Guild Sewer Lagoons at 8:19 p.m.

Mr. Brown distributed a spreadsheet entitled *Guild Lagoon Closure Bond* dated March 15, 2010 (copy attached). He stated that this article is in anticipation of a potential second round of stimulus funds. Mr. Brown said that the previous users agreed to pay half of the local match of \$1,500,000.

Mr. Collins asked if this was a general obligation bond or if it was just going on the water and sewer. Town Manager O'Neill said that the \$750,000 capitol reserve that is set aside was by the sewer users. Chairman Irwin said that if the stimulus money does not come through, they would not do the project.

There being no further discussion on this item, Chairman Irwin closed the Public Hearing at 8:23 p.m.

Chairman Irwin opened the Public Hearing to address the issuance of a \$178,000 bond under RSA 33:8-a for the costs of the first phase of developing a new water well at 8:24 p.m.

Mr. Brown distributed a spreadsheet entitled *Well Development Bond* dated March 15, 2010 (copy attached). Town Manager O'Neill said that he asked Mr. Wiggins to research this project and ask the State what regulations or laws may have changed since their previous study. Mr. Wiggins said that since the two studies done in the 1960's and 1980's, there have been many changes in land use, technology, and regulations. He said the DES laws have changed dramatically since. Mr. Wiggins said they would like to have the proposed firm look over the Town and do an overlay. He stated that the firm agreed that if they were to use one of the wells discovered in the past, the consultant would reduce the fee.

Mr. Collins asked what the total cost to develop the well would be to which Mr. Wiggins responded that it was estimated to be a \$2 million project for phases one through five. There was general discussion about bonding over a 20-year period. Town Manager O'Neill added that they currently have two water sources and that DES guidelines require that they have adequate supply should one source be down for a period of time. Mr. Wiggins said they would currently have a hard time producing a maximum peak day as well.

Mr. Brown reviewed the debt schedule for this article.

There being no further discussion on this item, Chairman Irwin closed the Public Hearing at 8:36 p.m.

Chairman Irwin opened the Public Hearing to address the 2010-11 budget in accordance with NH RSA 32 at 8:37 p.m.

Mr. Brown distributed the *Proposed Budget 2010-2011* dated March 15, 2010 (copy attached) and discussed the figures. He said the proposed budget is .02 less than the default budget and it includes the warrant articles. There was general discussion on revenue figures. Selectman Kessler pointed out that the increase in the tax rate is mostly due to the reduction in revenue sharing from the State plus the health insurance increase.

Mr. Brown reviewed the individual articles. Town Manager O'Neill said it was more appropriate to look at the tax impact on the community rather than the bottom line of the budget, which looks very high.

There were no further comments on this item. Chairman Irwin closed the Public Hearing at 8:45 p.m.

FIRST BUSINESS: Review of Warrant Articles – Paul Brown: Mr. Brown distributed a list of *Proposed Warrant Articles* dated March 15, 2010 (copy attached). Mr. Brown reviewed the proposed Elderly Exemption Article. He recommended that the single income limit go up to \$23,500 and the married income limit to \$29,700 with assets remaining the same. There was general discussion about how many people would qualify for this exemption.

On a motion by Selectman Maiola, seconded by Selectman Kessler, ***the Board voted unanimously to approve the recommendations as presented with assets remaining the same effective April 1, 2010.***

Mr. Brown reviewed the Solar/Wind Exemption. He said he spoke with George Hildum, Assessor, and they came up with the proposal that would exempt 100% of the value of generation systems put on the house as accessory use and available for the owner who has it installed. The exemption would be void when/if the owner sold or transferred the property. He said it would exempt anyone who would use the power commercially. Selectman Kessler questioned the use of the term "accessory use". After further discussion, the consensus of the Board was to eliminate the words "accessory use" from the proposed article.

On a motion by Selectman Maiola, seconded by Selectman Kessler, ***the Board voted unanimously to recommend the Solar/Wind Exemption Article as modified by removing the words "accessory use".***

Mr. Brown distributed a petition article for the Town to raise and appropriate \$2,000 for the support of professional mental health services provided by West Central Behavioral Health (copy attached).

On a motion by Selectman Nichols, seconded by Selectman Rodeschin, *the Board voted not to recommend the \$2,000 petition article for the support of professional mental health services provided by West Central Behavioral Health. Selectman Maiola and Chairman Irwin were opposed. The motion passed 3-2.*

On a motion by Selectman Kessler, seconded by Selectman Maiola, *the Board voted to propose the 2010-2011 budget at \$19,282,562.00. Selectman Nichols was opposed. The motion passed 4-1.*

SECOND BUSINESS: Reminder of Important Dates – Mr. Brown said he would be creating the warrant and it would be available for the Boards signature at the end of next week. There was general discussion about some of the language for the articles.

Town Manager O'Neill announced that Deliberative Session would be on April 6, 2010 at 6:00 p.m. at the High School gym; Town Meeting would be on May 11, 2010 at the Opera House for voting; filing date for elected officials is from March 24, 2010 through April 2, 2010.

Selectman Kessler announced that the BAC would be holding their final hearing on March 24, 2010 at 7:00 p.m.

ADJOURNMENT: On a motion by Selectman Nichols, seconded by Selectman Kessler, *the Board voted unanimously to adjourn at 9:19 p.m.*

The next meeting of the Board of Selectmen is scheduled for April 5, 2010 at 7:00 p.m.

Respectfully submitted,

Joanne Dufour
Recording Secretary