

**Town of Newport, New Hampshire  
Board of Selectmen**

**Minutes for Budget Review Meeting of February 18, 2016  
5:30 pm, Municipal Building**

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**SELECTMEN PRESENT:** Gary Nichols, Chairman; Todd Fratzel, Vice Chairman; David Hoyt, William Wilmot, Jeff Kessler

**STAFF PRESENT:** Shane O'Keefe, Town Manager; Larry Wiggins, Public Works Director; Bob Naylor, Water and Sewer Superintendent; Arne Greenleaf, Chief Wastewater Treatment Plant Operator; Bill Scanlon, Highway Superintendent; and Paul Brown, Finance Director.

**COMMUNITY MEMBERS PRESENT:** Bert Spaulding, Sr.

**CALL TO ORDER:** Chairman Nichols called the meeting to order at 5:32 p.m. followed by the Pledge of Allegiance.

**AGENDA REVIEW:** It was agreed to add Informational Item 5.B (Budget Schedule) to the agenda. There were no items for consideration under Consent Agenda.

**INFORMATIONAL:**

2017 Budget review and discussion

Public Works Director Larry Wiggins discussed with the Board the budget for the following accounts:  
DPW Garage

- Radio repair.
- Monies for his department to purchase equipment. Those monies would come from the General Fund, Water Fund, and Public Works Department. He explained to the BOS that he could no longer find spare parts for much of his current equipment.
- Going down the line items of the Public Works Department budget, Mr. Wiggins stated fuel was one item that fluctuated in price. There was a general discussion between Mr. Wiggins, Board members and Finance Director Brown concerning historical fluctuations in fuel prices.
- Building maintenance budget allocations for the Public Works Department.
- Ash landfill budget allocations.

Highway

- Short term renting of large mowers over the summer.
- Mr. Bill Scanlon spoke to the maintenance of some of the smaller equipment. There was a short discussion on how to best use, store and maintain the equipment. There was discussion about the possibility of storing the sidewalk tractor in the downtown area. Board members and Mr. Scanlon discussed the need for large size garage doors.
- After a general discussion concerning the department budget Finance Director Brown stated that there had been a 10% increase for the Public Works Department insurance.
- Highway Department Superintendent Bill Scanlon was asked to explain the procedures in place at the Public Works Department concerning snow and snow removal.
- Selectman Fratzel addressed Finance Director Brown and asked him to explain the current purchasing process for Highway Department vehicles. Mr. Wiggins and Finance Director Brown explained the number and length of life for the trucks in the highway garage fleet.

Mr. Bert Spaulding, Sr. addressed Chairman Nichols and posed the question concerning trade-in costs for vehicles in the Highway Department garage. His suggestion was that the Town put retired vehicles out to bid. There was a general discussion concerning his suggestion.

Selectman Kessler posed the question of when it was no longer cost effective to hold onto a vehicle in the Highway Department pool. Mr. Wiggins addressed the BOS and asked if they had received his report on cost efficiency. They had. Selectman Kessler addressed Mr. Wiggins and asked if he had recommendations for the Board. Mr. Wiggins addressed the Board and gave a synopsis of his recommendations. There was a general discussion between Mr. Wiggins and Board members.

Mr. Spaulding addressed the room and stated that maintenance and repairs were the key to longevity of vehicles and equipment. He challenged the Public Works Department employees as to the timeliness and thoroughness of these key activities. There was a general discussion between the Board members and Mr. Scanlon concerning the items in question.

After consulting Finance Director Brown concerning vehicles, there was a general conversation concerning looking into the prospects of selling Town vehicles at the White Farm in Concord, New Hampshire.

#### Public works Capital outlay

Machinery

Buildings-sand and salt sheds

#### Other improvements

\$250,000 for overlay in the budget

\$388,000 for overlay and shim project, proposed for a separate Town Meeting warrant article

There was a general discussion concerning the usage and wear and tear of Town roads during the closure of the Oak Street Bridge in north Newport during reconstruction.

Finance Director Brown addressed the BOS and reiterated monetary budget proposals from previous meetings and their use in the Public Works Department over the next few years. Selectman Fratzel addressed Finance Director Brown and asked how his proposals would affect taxes. Brown explained.

Finance Director Brown addressed the BOS and explained how the water and sewer bond would impact the tax rate. Board members and Finance Director Brown discussed the upcoming projects.

Mr. Wiggins addressed the BOS and explained the significant factors concerning large Public Works Department projects. He made them aware of potential complications if the projects proceeded differently than what he and Finance Director Brown had outlined in the upcoming budgets. There was a general discussion between the BOS, Finance Director Brown and Mr. Wiggins.

Finance Director Brown addressed the BOS and stated if they would like to proceed with the proposed outline they needed to decide at the February 18, 2016 meeting in order to post a Bond hearing for March 7, 2016. There was a discussion between the BOS, Finance Director Brown and Mr. Wiggins. Finance Director Brown and Mr. Wiggins explained the process and answered all questions from the BOS.

On a motion by Selectman Fratzel seconded by Selectman Kessler; ***the Board voted to hold a public hearing concerning putting forth two separate 20-year bond Warrant Articles at the 2016 Town Meeting. The motion passed 5-0-0.***

There was general discussion between the BOS and Mr. Wiggins and Public Works employees concerning the waste water treatment plant, planned road overlays and one Town well.

Board members addressed Mr. Scanlon and stated they had received numerous compliments on the work that the Highway Department had done in Town.

#### Water Fund expenses

Mr. Wiggins addressed the BOS and stated that the costs in the budget were based on average historical costs for the Water Department. Mr. Naylor concurred.

The BOS questioned the overtime line item and asked for an explanation. Mr. Naylor explained.

Mr. Scanlon left the meeting at 6:30 p.m.

#### Water Treatment

There was general discussion between the BOS, Mr. Naylor and Finance Director Brown on the line item cost of chemicals, water treatment and salaries of personnel.

#### Capital Outlay

Utility truck (would replace the white utility truck).

A new water truck had been cut from the proposed budget.

Selectman Fratzel requested the report of the transmission replacement proposal. Finance Director Brown made a note and would provide a report for each of the Selectmen.

Finance Director Brown directed the BOS to the line items that indicated proposed amounts for replacement or repair of equipment.

#### Water projects

There was a short overview on the Town's wells, water supply, water loss and usage. Mr. Naylor addressed the BOS and explained how "smart meters" would benefit the Town of Newport. Mr. Wiggins concurred. There was discussion about unaccounted-for water loss in the water distribution system and efforts to address this.

#### Sewer Fund

Mr. Wiggins addressed the BOS and brought their attention to the line item chemical supplies. Mr. Arnold Greenleaf addressed the BOS and explained the necessity of the chemicals in the line item. There was general discussion between the BOS members and Finance Director Brown concerning the financial expenses at the sewage treatment plant and the money added to the litigation concerning that project.

Chairman Nichols addressed the Board and asked if they had any questions of Mr. Greenleaf. There was a general discussion concerning the waste water treatment facility and its lagoons, septage, sludge, chemicals used, charges to haulers and potential future upgrades at the facility. The BOS requested a report from Mr. Greenleaf concerning the gallon amount of septage vs. water brought to the waste water treatment facility in Newport. The report and results were proposed for discussion on the agenda for the March 21, 2016 BOS meeting.

There was a concise dialogue by Mr. Greenleaf on necessary improvements at the waste water treatment facility including the UV system, parts for the monitors and controls and other improvements to the 1995 era components the Town currently has. He emphasized for the BOS that Newport has the second oldest facility in the state.

Selectman Kessler addressed Mr. Greenleaf and asked what the consequences would be if the system failed completely. Mr. Greenleaf explained. Board members and Mr. Greenleaf discussed the necessary contingencies if this happened.

Town Manager O'Keefe addressed the BOS and stated that he wanted to discuss the large scale project schedule. Referring to a paper distributed to the BOS members regarding the numerous capital projects proposed he stated that completing the projects with the Town's existing employees would be very difficult. One option to be discussed was to add an additional PE to work under Mr. Wiggins to help with the projects. The new position would be allocated to work mostly with the Water and Sewer departments. Hiring the additional PE would create the opportunity for Newport to complete all of the proposed projects. Addressing the BOS members, Town Manager O'Keefe explained the additional reasons he would like to see the position created, including succession planning. There was a brief discussion by Board members.

The Board finished reviewing the Public Works Department budget at 8:30 p.m., at which time Mr. Wiggins, Mr. Greenleaf and Mr. Naylor left the meeting.

The Board took a five-minute recess.

Selectman Fratzel addressed the Board members and stated that he would like to have a general discussion about the overall dollar amount of the budget and recommended cuts to the budget. He stated that currently the proposed budget as presented by the Town Manager resulted in a tax rate increase of 45¢. Referring to the proposed Newport school budget amount, he stated that the School and Town taxes would put a strain on many citizens. Continuing, Selectman Fratzel stated he proposed a cut to the Town budget. He proposed a total reduction of 75¢. Selectman Fratzel stated that it would be a bottom line reduction with two caveats: that the reduction not include reductions to the Recreation budget or Library budget. Selectman Fratzel explained his reasoning. Selectman Hoyt concurred with Selectman Fratzel. Selectman Kessler addressed Finance Director Brown and inquired as to the impact of several line items. Brown answered all inquiries. During general discussion, Selectman Fratzel stated he had prepared a bottom line budget number. He did not want the BOS to go through the budget line by line to achieve his proposed number. He proposed that Town Manager O'Keefe and his department heads be given that responsibility.

There was general discussion between the Town Manager and BOS as to how this would be achieved. Town Manager O'Keefe expressed that he did not at this time know how such a substantial cut would not impact Town services. There was discussion on how much of the tax impact the proposed bonds would have.

Finance Director Brown addressed the BOS and stated that if every department was asked to make cuts that the Recreation department and the Library should be included. Selectman Fratzel stated that that was his motion. Chairman Nichols addressed Selectman Fratzel and asked if that was a motion. He stated yes. Chairman Nichols asked for a second. Selectman Hoyt seconded the motion. There was general discussion on the motion. Selectman Wilmot asked if the \$250,000 road overlay monies were protected.

Town Manager O'Keefe stated that if it was not in the motion they were not protected. Selectman Fratzel stated if they were not protected he would amend his motion. Chairman Nichols asked him to amend his motion. Selectman Fratzel stated that the \$250,000 for overlay was to remain intact in the budget. Speaking to Selectman Hoyt who provided the second to the original motion, Chairman Nichols asked if he agreed. The seconder agreed.

For clarification, Selectman Kessler asked what the motion was.

Selectman Fratzel stated his motion was: to reduce the proposed bottom line budget from the general fund by 75¢ or approximately \$318,750. With three exceptions: the Recreation budget as proposed does not change, the Library budget as proposed does not change and the \$250,000 in the overlay line item budget for Highway remains intact.

There was a general discussion among the Board members concerning reduction of the budget vs. tax impact. Selectman Kessler addressed Selectman Fratzel and asked if he was looking at the tax impact of \$11.25. Town Manager O'Keefe and the BOS held a lengthy discussion concerning potential revenue, expenditures and rate adjustments within the departments. Addressing the BOS, Town Manager O'Keefe asked if they had any goals that he should be aware of. Selectman Fratzel was noncommittal at this time. Town Manager O'Keefe expressed concern at not knowing where the Selectmen would like cuts in the budget; he did not want to return to the BOS with proposed cuts and have the BOS react negatively.

Chairman Nichols stated cuts be considered from following possibilities:

- ❖ Evaluation of certain positions salary vs. hourly
- ❖ Utilization of staff
- ❖ Service to the citizens of Newport- if it is felt that such a reduction impacts service that it be brought to the BOS's attention.

On a motion by Selectman Fratzel, seconded by Selectman Hoyt; ***the Board voted to reduce the proposed bottom line budget from the general fund by 75¢ or approximately \$318,750 with three exceptions: the Recreation budget as proposed does not change, the Library budget as proposed does not change and the \$250,000 in the overlay line item budget for Highway remains intact. The motion passed 5-0-0.***

#### Budget Schedule

It was agreed by the Board members not to meet as previously scheduled on February 22, 2016. The next budget review meeting was determined to be February 29, 2016 at 5:30 p.m., at which time Fire/EMS, Buildings & Grounds budgets would be discussed.

#### **ACTION ITEMS**

##### Planning Board requests

The Chairman of the Planning Board had asked the BOS to request a declaratory judgment in regards to RSA 673:10 as to whether it (Planning Board) is required to meet monthly. It was his opinion as well as legal counsel that the RSA meaning was not as specific as was written. Selectman Kessler asked Chairman Nichols who the legal counsel was. The Chair stated it was the Town's legal counsel. For clarification, Selectman Kessler asked if the Town's legal counsel had been consulted. He was told yes. Town Manager O'Keefe explained. Selectman Wilnot asked the cost of seeking a declaratory judgment. Town Manager O'Keefe estimated \$700. Chairman Nichols stated that with the ongoing discussion the Boards have had it would be a good idea to know where the Town stood. There was a discussion of both sides of the argument. It was the BOS's decision whether or not to request a declaratory judgment. It was the BOS's opinion that the Planning Board served a critical purpose for the Town. Selectman Kessler stated the Board should deny the request and asked that they find work to do at the meetings where there was no land use case to be heard. Chairman Nichols addressed the Board members and gave a real scenario as to one month when even in good faith the Planning Board would not have been able to reschedule the meeting. Continuing, he stated the Planning Board was thus seeking the support of the BOS. Selectman Fratzel addressed Town Manager O'Keefe and asked for his opinion. He gave it, stating that the Planning Board members had also requested the possibility of amending the statute as it read.

Chairman Nichols acknowledged Mr. Spaulding. Mr. Spaulding gave his input on the subject.

On a motion by Selectman Kessler, seconded by Selectman Fratzel; ***the Board voted to deny the request by the Planning Board of seeking a declaratory judgment. The motion passed 4-0-1 (Nichols abstained as BOS representative to the Planning Board).***

The Planning Board's second request was to send a letter to Newport's state delegation and ask their assistance in trying to amend the statute. There was a general discussion among Board members. Board members shared information they had accumulated concerning other town planning boards in researching the question at hand.

Mr. Spaulding addressed the BOS and gave further input on the subject.

Chairman Nichols reiterated that the Planning Board members were asking the BOS to send a letter to the county delegation. Selectman Kessler stated that the BOS could send a letter but a decision would not be made until 2017. Chairman Nichols asked the pleasure of the Board.

Selectman Hoyt made a motion that the Board vote to deny sending a letter to Newport's local state delegation concerning amending the statute.

Selectmen discussed whether there was enough work for the volunteer board to do on a monthly basis, whether the BOS was in favor of sending the letter of support and whether the Planning Board and BOS should both send a letter requesting amending the statute. There was further discussion on the subject by Town Manager O'Keefe and Board members.

Chairman Nichols acknowledged Mr. Spaulding. Mr. Spaulding addressed the BOS and asked if they believed he was pursuing the issue merely to have the Planning Board meet monthly. Chairman Nichols stated no. Mr. Spaulding addressed the Chair and expressed what he believed to be judicious concerning the Planning Board meeting.

Selectman Hoyt reiterated his motion that the Board vote to deny sending a letter to Newport's local state delegation concerning amending the statute. The motion died for lack of a second.

Chairman Nichols addressed the BOS and asked for a motion to send a letter. A motion was made by Selectman Fratzel, seconded by Selectman Wilmot to send a letter to the local state delegation requesting their assistance in amending the statute.

Selectman Wilmot asked for clarification of what the motion was. Documentation from the Planning Board meeting was given to Selectman Wilmot for his review. Town Manager O'Keefe offered to read aloud the motion as presented by the Planning Board. He read, "in any month where there is no official application to the Planning Board that have been timely filed for a hearing at the respective month's meeting in accordance with the Planning Board's written procedures, the Chairman, or a person designated by the Board to act for the Chairman in such matters, may cancel the meeting."

There was a discussion among the BOS concerning the Planning Board's request. Both sides of the issue were discussed.

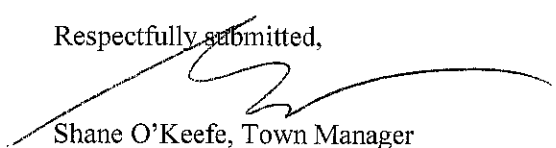
Chairman Nichols called for a vote. On a motion by Selectman Fratzel, seconded by Selectman Wilmot; ***the Board voted to send a letter to the local state delegation requesting their assistance in amending the statute. The motion passed 3-2-0, with Selectmen Nichols, Wilmot and Fratzel voting aye, and Selectmen Kessler and Hoyt voting nay.***

**ADJOURNMENT:**

On a motion by Selectman Kessler, seconded by Selectman Fratzel; *the Board voted to adjourn at 8:15 p.m.*

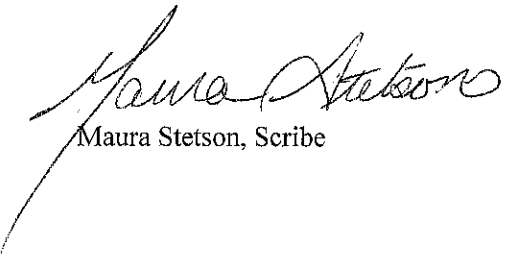
**The next meeting of the Board of Selectmen (budget review) is scheduled for Monday, February 29, 2016 at 5:30 p.m.**

Respectfully submitted,



Shane O'Keefe, Town Manager

Approved on February 29, 2016



Maura Stetson, Scribe