

TOWN OF NEWPORT, NEW HAMPSHIRE

Board of Selectmen

Minutes for Meeting of July 2, 2018

6:30 pm Regular and Public Hearing Meeting

Municipal Building

SELECTMEN PRESENT: Jeffrey Kessler, Chairman; William Wilmot, Jr.; Barry Connell, John Hooper, II

STAFF PRESENT: Hunter Rieseberg, Town Manager; Paul Brown, Finance Director; Peter J. Lovely, Recreation Center Director

COMMUNITY MEMBERS PRESENT: Ed Karr, Larry Cote, Jacqueline Cote, Frank Delorier, Mary Lewis, Bob Haselton, Reginald Dodge, Jr.; Russel Fowler, Krystal Kibbey, Raymond Kibbey, Gloria Kibbey, David Kibbey, Priscilla Jones, David Jones, Edward Smith, Jesse Aiken, Frank Piemontese III, Dan Cherry, Tammy Flewelling, Abby Willets and Bert Spaulding, Sr.

NCTV: John Lunn

CALL TO ORDER: Chairman Kessler called the regular meeting of the BOS to order at 6:30 p.m. followed by the Pledge of Allegiance.

Chairman Kessler addressed the Board and public in attendance and made a statement concerning the shooting which killed five journalists in Annapolis, MD. He said that journalists serve an important role in the freedoms we enjoy as members of this country (the United States of America). Selectman Kessler said that the legislature met in 1776 in Virginia and approved a Declaration of Rights. One of the Rights was the free press. Later, when the US Constitution was written, the 1st Amendment approved in 1789 addressed the freedom of speech and press. Chairman Kessler read aloud the 1st Amendment into the record. He thanked the journalists in attendance, Mr. Arthur Mountain of the Argus Champion/Eagle Times and Mr. Patrick O'Grady of the Valley News, for their many years covering the BOS meetings and bringing news to the public.

AGENDA REVIEW: accepted as presented

PUBLIC HEARING: The Town of Newport Board of Selectmen will hold a public hearing at 6:30 p.m. on Monday, July 2, 2018 at 6:30 p.m. to discuss proposed increases to the Town's water and sewer rates which may become effective in July 2018 and utilized for the November 2018 billing. The rate study supporting the increases is available on the Town's website, www.newportnh.gov.

Chairman Kessler read aloud the public notice concerning the public hearing into the record.

Finance Director Brown addressed the Board members and public in attendance and gave a summary of how the Town got to the position of necessary rate increases. He gave a summary of the (full) report located on the website in a PowerPoint presentation. Finance Director Brown then reviewed the history of the Newport water and sewer rates. He explained the historical rate increases, the proposed rate increases and the substantial usage drop. Finance Director Brown told the public in attendance that the Town had projected that the 1st, 2nd, 3rd, 4th and Knoll Streets project would be paid for from user rates. The Town had not projected the usage drop (much of the drop is from Ruger's).

Finance Director Brown explained that if there was no increase in rates, the Town would be in a water/sewer working deficit in 2021. Therefore the Town needed to increase the rates or the Town will be in deficit. The Town had projected its use; both operational and capital.

Finance Director Brown addressed the audience and showed them the Future Capital Purchases in Water and Sewer Departments (pages 11 and 12). He gave examples of items that could be purchased in later years as well as those that were necessities (WWTP Plant Upgrade and WWTP Solids Handling Upgrade).

Proposed/Projected:

2019-20% water increase; 30% sewer increase

2020-43% water increase; 40% sewer increase

2021- none 50% sewer increase

Finance Director Brown addressed the Board and stated that they could look at the scenario and see if they wanted to do something different. He gave them alternative procedures for the initiation of the rate increase. He explained the consequences (in meter reading for July) in holding a second public hearing.

Finance Director Brown and the BOS took questions from the public in attendance. The following questions and comments were directed to the BOS, Finance Director Brown and the Town Manager:

Mr. Frank Delorier asked why, if the users were using less water, why it was costing them more. He expressed his frustration. He was on a fixed income as were many others in Newport. He could not afford the increases; could not afford to live in Newport.

Finance Director Brown explained that the less water being used the less the Town billed (and the less they earned). The Ruger Company had been contributing \$60,000-\$70,000 into the water and sewer fund. Their contributions have been reduced. Mr. Delorier stated the current users could not foot the proposed increases.

Chairman Kessler addressed Mr. Delorier and stated that the current Board of Selectmen had worked hard to keep costs under control. He stated that water usage is down 40%. The Town still had the same amount of infrastructure to maintain. Sewer rates had not been increased in 8-9 years. Water rates had not been increased in six (6) years. Looking back, the Town should have increased usage fees 3-4% annually. Instead, water users kept the money "in their pockets".

Mr. Delorier asked if there was a 10 million dollar deficit in the sewer system. He was told that was incorrect information. Mr. Delorier thanked the Board for their time.

Selectman Hooper addressed Mr. Delorier and the public and stated the BOS did not call a public hearing to state what the Town was going to do; through Finance Director Brown's research one option had been proposed. The Town wanted to get the (user) public together and ask what made the most sense.

Continuing, Selectman Hooper stated that he received two water bills from Newport. His family got many more than that. The situation is that one pot is emptying and the other one needs work. The Town wants the smartest way to do the increase. Selectman Hooper said it was pretty bold to say the Town would just increase the rates by 100%.

- ❖ It was time to put heads together; acknowledge that it (decline in usage) was a recent development. And see how to gently increase the rates; the infrastructure is in rough shape.

- ❖ Selectman Hooper said his opinion was to take a soft approach to the increase. Trying to get below a mandated threshold is not the focus of the Town.
- ❖ The focus is to do what we can afford. If we (the Town) need to borrow money, we can borrow money.

Mr. Bert Spaulding, Sr. addressed Selectman Hooper and stated that the Board members had to be open to another option. Mr. Spaulding, Sr. said that the Town needed forward thinking. He reminded the BOS that the townspeople were looking at a 19% increase in PSNH (Eversource), plus school taxes, town taxes, county taxes and state taxes.

Mr. Reginald Dodge, Jr. addressed the BOS and stated that what they proposed would not work. He reminded the BOS of the mandatory ban and restrictions during the drought. He reviewed the infrastructure and dam repairs the Town had proposed in 2017 because we did not have enough water. He asked how the past calculations couldn't foresee what was going to happen. He expressed the unknowns not shown by the (PowerPoint) graphs.

Mr. Dodge, Jr. addressed the BOS and stated that the time had come for the unpopular idea of town wide support of the Town water system. He listed other departments every resident supported in the Town, whether they used it or not. He reminded the Board members that if a residence has a well, the fire department still used Town water to extinguish the fire. Continuing, Mr. Dodge said that everyone would benefit from the town wide support. He reiterated that it would not be popular, but that it was necessary.

Chairman Kessler stated that in the past there was a line item for a hydrant fee to all residents of Newport. Finance Director Brown stated it was stopped in approximately 1989. Chairman Kessler stated that it raised approximately \$25,000-\$30,000.

Addressing the question of town wide support of the water and sewer, it would need to go before voting at a Town meeting because it would be a vote to tax people. Chairman Kessler addressed Mr. Dodge, Jr. and stated that at the public hearing on July 2, 2018 the Board of Selectmen were acting as the Water and Sewer Commissioners. When asked, Finance Director Brown explained how the initiation of town wide support of the Town water system could be done. Finance Director Brown stated that approximately five years ago there was a Town Warrant Article that lost 2-1 on whether the capital (infrastructure) water and sewer burden should be spread between all taxpayers.

Mr. Edward Karr addressed the Board and stated that town wide support is a different debate but was worth the Selectmen looking into. What is upsetting a lot of users is that Town meeting had 27 Articles to vote on. Nothing was said about an imminent rate increase. Voting results on some articles would have been different had the users known. When did the BOS become aware of the need of a rate increase?

Mr. Karr then stated that if big increases were because of the Federal Government; take them out of the picture. He asked that they seriously look into battling the federal government before increasing the user fees.

Mr. John Lunn asked if the BOS had investigated what it would cost the residents of Newport if the system became town wide supported. Finance Director Brown stated that rough estimates would be:

Water \$2/1000

Sewer \$4/1000

TOTAL (\$6/1000). That would be instead of a separate water and sewer bill for users.

Non-users would have the \$6/1000 plus their expenses for their well and septic.

Mr. Larry Cote stated that he had built a home and had a well. They had changed to Town water. He stated that with his experience he would not complain about water rates. He also stressed that people with their own wells and septic do not have a “free ride”.

Mr. Dan Cherry asked if the root cause of this usage drop was from Ruger. Finance Director Brown stated that was correct. Mr. Cherry asked if the Town knew what they (Ruger) did to save that many thousands of dollars. Finance Director Brown listed:

1. Difference in water and sewer. They used to use water and then dump it into the river.
2. They then developed a system to recirculate their water. This cut back their usage.
3. Currently it was possibly production based.

Mr. Cherry discussed the problems with zoning which limits building in Newport. He stated several other areas in the Town that are contributing to Newport’s problems.

Concluding, Mr. Cherry asked that the option of spreading the increase over time be considered.

Mr. Spaulding, Sr. asked why the crisis was not foreseen by the Town. Infrastructure and plant costs need to be looked at as a business would look at them. The Community Center might not be needed if it decreases the user rate increase. A 73% increase in rates over two years is not acceptable. He asked Finance Director Brown if anything has been done to cut costs.

Finance Director Brown said that a change from 2% to 1% for expenses has been made. He stated that there were 1500 homes on water and sewer. The Town is not losing services; they are losing the amount of water usage. There are fixed costs and those can’t be changed.

Chairman Kessler addressed Mr. Spaulding, Sr. and stated that they had not increased rates in many years.

Mrs. Krystal Kibbey, Kibbey Housing and Parks, addressed the Chair. She listed the water/sewer increase as well as the tax increases: what are we supposed to tell our tenants that are on a fixed income? She stated that the Park has to raise the rent to pay their bills and the tenants tell them they can’t pay the rent. Tenants blame the Park for the increase in rent. Mrs. Kibbey addressed the BOS and stated that their CC tenants were without water for one week (the two water main breaks on Unity Road). We have to tell those people that they will get a rent increase to pay for the water rate increase. As was said earlier, if she had known of the rate increase she would not have voted for a Recreation Building that is not needed. She needs water; not a Rec Building. If she goes to her tenants with another rent increase she will not have any tenants left.

Mr. Ray Kibbey said he agreed with his wife. He thought the best way would be for a gentler approach, spreading it out over more years.

Chairman Kessler explained some of the ways the Town had saved money on the water supply.

Mr. David Kibbey stated it costs more to maintain a septic system than anyone that uses a sewer. His observation has been that personnel have been problematic in the Town water and sewer departments. There has been a frequent turnover rate. He asked, for clarification, if another meeting would be on July 16, 2018. Chairman Kessler stated the BOS would continue the public hearing to July 16, 2018. There might be additional scenarios which could be discussed.

When asked, Mr. Kibbey’s recommendation was:

- Any change in rate should start in January 1, 2019. The Park contracts are January 1 to December 30.

Mr. Edward Karr repeated his statement to the BOS: There were 27 Articles at Town Meeting. Water/Sewer users' votes would have been different if they had known the rate increase was coming. Education was lacking.

Ms. Abby Willets, a tenant of the Kibbey's, wanted to know how the Town would keep track of how much water each mobile home used. Chairman Kessler stated it would be done the same as before. It was the Kibbey's discretion. Her water bill was between her and her landlord.

Mrs. Jaqueline Cote asked when the Town knew of the big Ruger decrease in usage. Finance Director Brown stated it was gradually going down. The last three "reads" (within the last year) were the big indicator that the Town needed to look at the usage and rates.

Mrs. Jaqueline Cote stated she was a water user. She stated it would be good if the Town could spread out the increase instead of the proposed impact.

Mr. Larry Cote addressed Finance Director Brown and stated that he had said the urgency for finding a new water source was down. Reflecting on the drought, he asked about the water situation in Newport. Finance Director Brown stated that the water level was down but not to a critical level. The Town would be keeping an eye on it.

Town Manager Rieseberg addressed Mr. Cote and stated that the Town is continuing its search for wells and additional water for the future. Town Manager Rieseberg spoke to Mr. Cote and the public in attendance and stated that the Town would continue to look into different scenarios concerning the user rates.

Mr. Edward Karr thanked the BOS members for the continuation of the public hearing to July 16, 2018 on behalf of the townspeople who could not make it to the July 2, 2018 BOS meeting.

A second public hearing on the water and sewer rates would be posted and held on July 16, 2018 at the BOS meeting.

On a motion by Selectman Wilmot, seconded by Selectman Connell; *the Board voted to continue the public hearing at the July 16, 2018 BOS meeting at 6:30 in the Board of Selectmen Room. The motion passed 4-0-0.*

MINUTES FROM PREVIOUS MEETING(S): Minutes of June 18, 2018: On a motion by Selectman Wilmot, seconded by Selectman Connell; *the Board voted to approve the minutes of the June 18, 2018 Board of Selectmen meeting as presented. The motion passed 3-0-1 (Hooper abstained).*

NPS Minutes of June 18, 2018: On a motion by Selectman Connell, seconded by Selectman Wilmot; *the Board voted to approve the non-public session (NPS) minutes of the June 18, 2018 Board of Selectmen meeting as presented. The motion passed 3-0-1 (Hooper abstained).*

CONSENT AGENDA: On a motion by Selectman Hooper, seconded by Selectman Wilmot; *the Board voted to approve the Consent Agenda of July 2, 2018 as presented. The motion passed 4-0-0.*

OPEN FORUM: Mr. Reginald Dodge, Jr.
3 items:

1. Bald Mountain Road

Mr. Dodge, Jr. reiterated his request to redirect truckers to use the Reeds Mill Road entrance. Town Manager Rieseberg stated that he had spoken to the trucking company and checked their zoning permit. They were in

compliance of their permit. Chairman Kessler, Town Manager Rieseberg and Mr. Dodge discussed the subject and grievances Mr. Dodge, Jr. had.

2. Poles on Rte.103 in Guild

Mr. Dodge, Jr. informed the BOS members that there were 19+ poles left from the transfer of wires by Eversource and Comcast. He asked that the Selectmen do something about having the poles removed. It was stated that Comcast owned the poles now.

After further discussion, Selectman Wilmot made a motion *to ask the BOS to pass a resolution asking Comcast to move their lines from the 19+ telephone poles that exist up through Guild which had been left during their work last year.* It was suggested that all residents up through Guild that are affected complain to Comcast. The motion was seconded by Selectman Connell. Chairman Kessler called for a vote. ***The motion passed 4-0-0.***

3. Zoning Board-Lunch Truck

Mr. Dodge, Jr. informed the BOS that due to a Zoning Board decision, a lunch truck was allowed to park and sell food at the motel across from his residence. He discussed the noise created by its generator. The lunch truck owner was waiting for a permit from Eversource to tie into the electrical wire there.

Town Manager Rieseberg stated he would also see what he could do to assist the lunch truck owner with his Eversource permit.

Mr. Dodge, Jr. then thanked the Board for installing a conduit for a charging station in the county parking lot. It was forward thinking.

COMMUNICATIONS: Selectman Connell commented on the demolition of the house at 133 Sunapee Street. It went down quickly, was cleaned up quickly and the lot looks a lot nicer.

Selectman Hooper:

- a. Concurred that the demolition at 133 Sunapee Street is a nice change.
- b. Wanted to make people aware of the ice cream stand across from Ruger's called SISU. The stand also sold plants, veggies and hot dogs. All proceeds go back into the community.
- c. The Richards Free Library summer reading program is in full swing.
- d. The children's performances held Thursday mornings in July on the side lawn of the library, put on by the LAC and sponsored by the Friends of the Richard's Free Library. They are free to all.

Selectman Wilmot asked about the "Road Closed" sign at the intersection of Bradford Road and Main Street. He stated Bradford Road is now open; could it be removed. Selectman Wilmot also informed the Board and public that Mr. William Scanlon, Highway Superintendent in the Department of Public Works had been honored for his successful completion of the Supervisor's Academy. He congratulated Mr. Scanlon.

Town Manager Rieseberg stated that Town Clerk Liselle Dufort and Fire Chief Wayne Conroy had also completed the employee training.

Chairman Kessler stated that:

1. The Economic Corporation of Newport (ECON) currently had \$500,000 from the sale of the Eagle Block to the Tuohy family (owners of Salt Hill Pub). He expressed his concern that the money was not being utilized and put back into the community.
2. Sunshine Initiative was working to benefit Newport and Sullivan County.
3. We potentially need more money for issues at the ash landfill (that ECON owns).

Town Manager Rieseberg listed the following projects in progress:

- 1) In the process of interviewing candidates for Economic Coordinator
- 2) Contracted for construction at 1st, 2nd, 3rd, 4th and Knoll Streets
- 3) Contracted for construction on Cheney Street
- 4) Oak Street Bridge contract was awarded. Awaiting a schedule on the delivery of steel.
- 5) Coon Brook Bridge contract was awarded. Awaiting the confirmation of the delivery of steel.
- 6) Paving will begin this next week.
- 7) Redoing 1 ½ miles of gravel roads.
- 8) Town is now in a new fiscal year (July 1, 2018-June 30, 2019).
- 9) New dispatch software is coming online.
- 10) Opera House improvements will begin July 3rd, 2018. A new roof will be the first project.
- 11) Community Center project. There are ten firms interested.
- 12) Staff numbers are down in some positions
- 13) Department of Public Works looking for seasonal staff? No

Mr. Reginald Dodge, Jr. asked Town Manager Rieseberg about the possibility of getting people from the county jail on a work release program. There was a short discussion on its feasibility.

Selectman Hooper left the Board of Selectmen meeting at 8:25 p.m.

INFORMATIONAL: (Informational agenda items were taken out of order) Recreation Program Update – P.J. Lovely - Recreation Director Peter J. Lovely addressed the Board and gave an update on the upkeep of recreation properties, programs currently being held (Summer 2018) and those scheduled to be held in the Fall 2018.

UPKEEP:

- Wood chips were added to the Meadow Park Playground
- The gym was painted
- The Town Forest was cleaned
- The Maxfield Trail will be cleaned by teens (Community Work)
- A new Sichel Field sign (for the soccer field; made by the high school students)
- A new fence at the (high school) track is scheduled to be done
- 1 basketball court resurfaced in July 2018
- Playground fence will be put in

SUMMER PROGRAMS:

- Children's Day Camp. 60 children enrolled. Day Camp was full; there was a waiting list. Summer 2018 there are 2 buses for the Wednesday Trips.
- Teen Adventure Camp. Tuesdays and Thursdays.
- Ping Pong at Towle School.
- Grades 5-8 drop-in basketball
- Running Club at high school track
- Senior Exercise Class on Mondays, Wednesdays and Fridays
- 5 AM Boot Camp
- 6:30 AM. Football team summer camp

FALL PROGRAMS: (online registration available)

- Soccer K-6 grades
- Field Hockey for girls
- Flag football
- Competitive tag (New. Is offered in other towns.)

Chairman Kessler asked how many volunteers he had for day camp. Mr. Lovely answered two. On Wednesday trips they get extra moms and dads to go. Chairman Kessler and Mr. Lovely discussed logistics of the various programs the Rec Center offers.

Town Manager Rieseberg stated that there had been 20 children that had been given scholarships to overnight camp from the Newport Charitable Trust.

Mr. Lovely stated that the Newport Service Organization annually sponsors Newport children to the summer day camp and that proceeds from the Sunshine 5K in 2018 went to sponsor scholarships for children in the Rec Programs. Mr. Lovely gave more information on activities available in Newport.

2019 – 2020 Legislative Policy Process *Important Dates!* - Agenda item was tabled to the July 16, 2018 meeting.

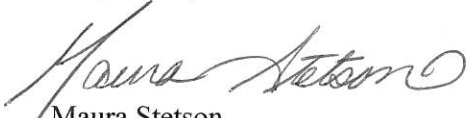
ACTION ITEMS: none

APPOINTMENTS: none

There being no further business in the public meeting, on a motion by Selectman Wilmot, seconded by Selectman Connell; *the Board voted to adjourn at 8:52 p.m. The motion passed 3-0-0.*

The next regular meeting with public hearing of the Board of Selectmen is scheduled for Monday, July 16, 2018 at 6:30 p.m.

Respectfully submitted,



Maura Stetson
Scribe

Approved on: July 16, 2018