

TOWN OF NEWPORT, NEW HAMPSHIRE
Board of Selectmen
Minutes for Meeting of March 18, 2019 6:30 pm
Public Hearings and Regular Business Meeting, Municipal Building
15 Sunapee Street, Newport, NH 03773

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

SELECTMEN ABSENT: none

STAFF PRESENT: Hunter Rieseberg, Town Manager; Paul J. Brown, Finance Director

COMMUNITY MEMBERS PRESENT: Virginia Irwin, Town Moderator; Kate Luppold, Library Arts Center (LAC) Executive Director; Bert Spaulding, Sr.

NCTV: Louis Cassorla

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

AGENDA REVIEW: Add under INFORMATIONAL: Croydon contracts (Fratzel)

PUBLIC HEARINGS: The Town of Newport will hold public hearings on Monday, March 18, 2019, at 6:30 p.m. in the Board of Selectmen meeting room, 15 Sunapee Street, Newport to address the following issues coming before the Town at the Annual Town Meeting:

1. The 2019-20 budget in accordance with NH RSA 32. Chairman Kessler opened Public Hearing #1 at 6:31. He acknowledged Finance Director Brown.

Finance Director Brown reviewed the Operating Budget. Changes for the 2019-20220 FY budget were:
Increases in health insurance (6.4%)
Raises in salaries (1.75% unless different by contract)
Positions eliminated (in PWD)

There was a discussion on the special police detail
Total Operating Budget is \$9,688,694. Proposed tax impact is \$11.74.

Continuing, Finance Director Brown stated there were five Warrant Articles and two Bond Articles totaling \$20,894,194. Tax impact would be \$12.03.

There was one petition article for VNA and Hospice for NH and VT for \$4,000.00. Tax impact is \$.01. Chairman Kessler asked when the deadline for petition articles was. Finance Director Brown stated it had passed.

Chairman Kessler asked Finance Director Brown what the dollar amount was in each Capital Reserve. He gave an estimate of amounts in each one.

Chairman Kessler acknowledged Mrs. Irwin. She had two questions.

1. She asked if the money given to the Newport Senior Center had been rolled into one of the categories. She was told yes; it was in the “other general government fund”.
2. Mrs. Irwin asked what else was in the “other general government fund”. She was told money for the Safety Committee and NCTV.

Mrs. Irwin asked, for a clarification, that there was not a tax impact shown on the two proposed Bonds because payment would not start in 2019 or 2020. Finance Director Brown stated she was correct.

Mr. Spaulding, Sr. asked for the increase in health insurance to be repeated. He was told 6.4%. Mr. Spaulding, Sr. stated the police special detail, as a fund, should be listed. He asked if there were other funds that were similar to the police detail fund. He was told: various grants, town hall improvement fund, (previously) CDGB funds and the recreation revolving fund. There was a lengthy discussion between Finance Director Brown, Selectman Fratzel and Mr. Spaulding, Sr. about the listed funds and how they should be presented during budget season.

Mr. Spaulding, Sr. requested (as a citizen), that the various ongoing special funds be listed with their fund amounts the same as all other funds. Finance Director Brown addressed the Board and stated if they would like to list them as Mr. Spaulding, Sr. requested that he recommended a \$40,000 line item. It would be offset by revenues with no tax impact.

Selectman Connell stated for clarification that there was \$20,000 currently in the fund. Finance Director Brown stated yes. Chairman Kessler asked if the fund was set up by a vote at Town Meeting. He was told yes. Finance Director Brown explained the Warrant Article creating the special police detail fund. Chairman Kessler stated that if it was originally set up as a special account through a Warrant Article, it should remain that way. Finance Director Brown stated the Town is following the Warrant; it is listed in the Operating Budget. There was a discussion among the BOS, Finance Director Brown and Mr. Spaulding, Sr. on the placement of the fund.

When asked, Finance Director Brown stated that in the 2018-2019 fiscal year budgets it had been listed as a line item. Most expenditures from the fund are brought before the BOS for approval.

Selectman Fratzel asked how to again place the fund as a line item. Finance Director Brown stated the BOS could vote to have it reinstated as before.

Town Manager Rieseberg respectfully disagreed with reinstating the special revenue fund as a line item.

Mr. Spaulding, Sr. stated the Town needed total transparency.

Mrs. Irwin asked Finance Director Brown if he had a revenue sheet (at the meeting). She was told no. When asked, Mrs. Irwin stated she would like a revenue sheet. Mr. Spaulding, Sr. stated that for the public hearing there should be a revenue sheet provided to the public. Mr. Spaulding, Sr. also asked for a revenue sheet. Finance Director Brown was directed to make copies of both the revenue and default budget sheets for the BOS and public.

Finance Director Brown left at 6:50 p.m. to make copies to continue the hearing.

While the hearing was in recess, Mr. Spaulding, Sr. addressed the Board and stated that the TOPAZ fund was now \$57,195. The job seemed to be being done fine. He was pleased.

Chairman Kessler stated he did not see the Warrant Article on Hens on the draft Warrant Article packet. Chairman Kessler addressed Mr. Spaulding, Sr. (Planning Board member) and asked if the Planning

Board had submitted a Warrant Article to be included on the ballot. He was told yes. Chairman Kessler stated it was not on the draft Warrant.

When asked, the BOS and public were told the timetable to approve the Warrant Articles was:

March 18, 2019 last public hearing

March 22, 2019 Warrant Articles need to be signed by all Selectmen

Mr. Spaulding, Sr. and Selectman Hooper gave the Board information on the impetus and work on the Hen Warrant Article.

Finance Director Brown returned at 7:07 p.m. and passed out the revenue sheets.

Chairman Kessler asked Finance Director Brown if the BOS had to hold a hearing on the entire Warrant. He was told no. When asked why not, Finance Director Brown stated that the requirement was to hold a hearing on the budget.

The hearing reconvened.

Finance Director Brown explained the revenue sheets.

Mrs. Irwin asked what buildings the Town rented. Finance Director Brown stated: the district court, circuit court, the Old Courthouse Restaurant, the Common and the Bus Barn (money went into General Fund). The Opera House rental money went into a separate Town Hall Improvement Fund.

Mr. Spaulding, Sr. asked about the lease of the Old Courthouse Restaurant. After a short discussion he made a request of a copy of the Old Courthouse Restaurant lease (with any attachments to it).

Finance Director Brown explained the default budget.

Chairman Kessler asked the Board if there were questions. Selectman Fratzel stated there was a \$.07 difference between the proposed and the default budget. Finance Director Brown said yes.

Selectman Fratzel asked if changes could be made to the budget after March 18, 2019. Finance Director Brown stated that changes could be made within the budget's bottom line. If the BOS added new appropriations a new Public Hearing would need to be held on April 1, 2019. Finance Director Brown stated that a Public Hearing would not be necessary to change the bottom line.

Selectman Fratzel asked the Board and Town Manager if changes were going to be made at the March 18, 2019 meeting to finalize the budget. He asked Finance Director Brown for the last day to make changes. He was told the Warrant needed to be posted on Monday, March 25, 2019.

There was a discussion among the BOS members as to when a new meeting could be held. Chairman Kessler asked about Monday, March 25, 2019.

Mr. Spaulding, Sr. gave an explanation on proper procedures to hold another hearing to make changes to finalize the budget.

The BOS discussed line items that had not been included in the proposed budget.

Selectman Fratzel stated there hadn't been a decision on the proposed police department position. He also listed the sidewalk tractor. The Board and Finance Director Brown discussed both and where they would be placed.

Mr. Spaulding, Sr. read aloud the RSA concerning public hearings and a budget. He stated that if the BOS could not finalize on March 18, 2019, they would have to continue the public hearing.

Selectman Fratzel stated the additional PD personnel position should be considered. There was a discussion by the BOS and Town Manager on adding the position to the budget.

Finance Director Brown explained to the BOS potential wording to add to the budget before it was posted. He explained that \$78,000 needed to be added to the bottom line of the proposed budget (at the public hearing on March 18, 2019). He stated the offset revenue is unknown.

After further discussion, Chairman Kessler asked for the Board members input. Selectman Wilmot stated he felt it was important. Selectman Wilmot made a recommendation to add \$78,000 to the approved budget bottom line. After consulting with Finance Director Brown, he said he would make that a motion after the hearing.

Finance Director said that the new bottom line (appropriations) would be \$20,894,194.

The additional \$78,000 will have a tax impact of \$.18.

Chairman Kessler restated the bottom line would be \$20,894,194.

Chairman Kessler asked if the public hearing could be closed, or if there was more information.

Chairman Kessler closed Public Hearing #1 at 7:22 p.m.

The Town of Newport will hold public hearings on Monday, March 18, 2019, at 6:30 p.m. in the Board of Selectmen meeting room, 15 Sunapee Street, Newport to address the following issues coming before the Town at the Annual Town Meeting:

2. The issuance of estimated \$3,500,000 in bonds under RSA 33:8-a for the costs related to the construction of a new community center.

Chairman Kessler opened Public Hearing #2 at 7:23 p.m. He acknowledged Finance Director Brown. Finance Director Brown addressed the BOS. He stated that the proposed total cost would be \$6.5 million. \$3 million dollars matching funds bringing the net bonded cost to \$3.5 million. His handout to the BOS and public showed the costs of a 20 year and a 30 year bond from the NH Municipal Bond Bank.

The total project is proposed to be \$3.5 million.

20 year Bond (\$3.5 million)

Total interest \$1,470,000

Annual Principal \$175,000

\$.72 tax impact with interest

30 year Bond (\$3.5 million)

Total interest \$2,441,250

Annual Principal \$116,667

\$.63 tax impact with interest

Finance Director Brown stated he could not see having a bond longer than 30 years. He explained the finances of the proposed bonds.

Chairman Kessler addressed Finance Director Brown and asked if the Warrant Article on the proposed Community Center passed, payment on the bond would begin when.

Finance Director Brown said using Selectman Fratzel's 2020 timeframe, there would be an interest payment in fiscal year 2020-2021 or an annual payment in the 2021-2022 budget.

There was a discussion on the project and when the tax rate would be impacted.

Mrs. Irwin asked for clarification. Consulting the proposed bond issue handout, she asked if the Town used a 30 year bond they would pay \$2.4 million to borrow \$3.5 million. She was told yes.

Mr. Spaulding, Sr. asked how much money the Town has raised. He was told \$510,000 (plus \$1 million in a potential matching donation). Selectman Hooper asked Finance Director Brown what the percentage amount was for a private citizen to loan money (to a Town). There was a short discussion on this.

Chairman Kessler closed Public Hearing #2 at 7:33 p.m.

The Town of Newport will hold public hearings on Monday, March 18, 2019, at 6:30 p.m. in the Board of Selectmen meeting room, 15 Sunapee Street, Newport to address the following issues coming before the Town at the Annual Town Meeting:

3. The issuance of estimated \$4,500,000 in bonds under RSA 33:8-a for the costs related to the update of the Town's wastewater treatment plant.

Chairman Kessler opened Public Hearing #3 at 7:35 p.m. He acknowledged Finance Director Brown.

Finance Director Brown stated the interest rates on the WWTP Bond were much better. They were through the NH DES. Their current rate is 2.704%. Finance Director Brown went over the WWTP Proposed Bond.

The total project is proposed to be \$9.9 million.

\$5,400,000 has been authorized but not used yet. \$4.5 million proposed in 2019 Warrant Article.

20 year Bond

Total interest \$1,277,640

Annual Principal \$225,000

Sewer rates will increase 160%

30 year bond

Total interest \$1,886,040

Annual Principal \$150,000

Sewer rate will increase 160%

User impact will be approx. \$3.88 on \$5.4 million bond.

If WWTP bond fails, Finance Director Brown recommended that the Town continue with the \$5.4 million bond (have) and to go to Town Meeting in 2020 for the \$4.5 million bond.

Finance Director Brown explained the WWTP Bond and work to be done. He stated it was a requirement under federal mandate.

The construction schedule for the WWTP was discussed, money and EPA/DES involvement.

A vote was needed at the March 18, 2019 meeting on the \$4.5 million bond.

Mr. Spaulding, Sr. gave a running tally on the tax impact for voters.

Chairman Kessler closed Public Hearing #3 at 7:51 p.m.

Chairman Kessler addressed the BOS and asked for any motions to change the budget as was presented.

Selectman Wilnot made a motion *to present the 2019-2020 fiscal year budget in the amount of \$20,894,194*. Finance Director Brown asked Chairman Kessler if the BOS wanted to add \$40,000 for the

special police detail. Selectman Wilmot (motioner) said no. Finance Director Brown confirmed that \$20,894,194 was the correct amount. Chairman Kessler asked for a second on the motion.

The motion was seconded by Selectman Fratzel. Selectman Fratzel stated he wanted to take the \$9,000 out of the police budget for the overtime line item. There was a short discussion on a new final budget.

Selectman Wilmot amended his motion ***to present the 2019-2020 fiscal year budget to the amount of \$20,885,000.*** It was seconded by Selectman Fratzel. Selectmen spoke to the police department personnel and overtime. Chairman Kessler called for a vote on the amended motion. ***The motion passed 3-2-0 (Hooper and Connell voted no).***

Chairman Kessler asked if there was further action on the 2019-2020 Budget. Mrs. Irwin stated the Selectmen had to take a stand on the petition article.

There was a discussion on the interaction with the Department of Revenue Administration (DRA). Mr. Spaulding, Sr. asked Finance Director Brown to have all questions answered in writing. Finance Director Brown stated he would do what the Board and Town Manager asked him to do. The Board told him to leave it as it was written and there would be a public conversation in 2020.

The BOS reviewed and or recommended each Warrant Article for the ballot.

Warrant Articles: *One warrant article had not been put on the ballot. Warrant Article 3-Hens was explained at end of review of other Articles; appropriate wording will be given to the Town Administrators and it will be put on the May 14, 2019 ballot.*

Chairman Kessler read aloud all articles as presented. Selectmen voted to recommend or not recommend for placement on the ballot.

Warrant Article 1. A typographical error was found. It should read Selectmen (plural).

Warrant Article 3. Hens. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to include the Warrant Article as approved by the Planning Board. The motion passed 5-0-0.***

Warrant Article 4. On a motion by Selectman Fratzel, seconded by Selectman Connell; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.*** Selectman Fratzel asked if a tax impact would be included in the ballot. After a short discussion it was left as is written.

Warrant Article 5. Rewording of the Warrant Article to include, "...plant as required by NHDES administrative order by consent #_____" was requested and granted. On a motion by Selectman Fratzel, seconded by Selectman Wilmot; ***the Board voted to recommend the Warrant Article.*** Finance Director Brown was asked if a tax impact would be included in the ballot. He stated no. ***The motion passed 5-0-0.***

Warrant Article 6. *New Operating Budget total is: \$9,757,500. Tax impact is: \$11.90. Default Budget: \$9,700,496. Tax impact is: \$11.60.* Chairman Kessler read aloud #6. Chairman Kessler called for a vote. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 7. On a motion by Selectman Fratzel, seconded by Selectman Connell; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 8. On a motion by Selectman Wilmot, seconded by Selectman Hooper; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 9. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 10. On a motion by Selectman Fratzel, seconded by Selectman Connell; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 11. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to recommend the Warrant Article. The motion passed 5-0-0.***

Warrant Article 12. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to recommend the Warrant Article.*** Finance Director Brown explained the Town no longer has these Bonds. #12 is to "clean up the books". ***The motion passed 5-0-0. The Board asked that the language "to recommend" be added to the Warrant Article.***

Warrant Article 13. On a motion by Chairman Kessler, seconded by Selectman Connell; ***the Board voted to recommend the Warrant Article.*** A typographical error was found on line 12. Good should be goods. Chairman Kessler informed the Board members that the Warrant Article needed to be reapproved every five years. After a short discussion on the Warrant Article by the BOS, Chairman Kessler called for a vote. ***The motion passed 5-0-0.***

Warrant Article 14. *There was a discussion on the Warrant Article by the BOS. It was requested that the tax impact (\$.01) be added to the Warrant Article.* Selectman Connell made a motion ***to recommend the Warrant Article. It died for lack of a second.***
The Board's position was to not recommend the Warrant Article.

When asked, Finance Director Brown had not heard of a Zoning Amendment for the Warrant Article (including any public hearings). There was an explanation of the Warrant Article by Selectmen Connell and Hooper (Representatives to the Planning Board) and Mr. Spaulding, Sr. (Planning Board member).

Finance Director Brown stated it would be on the Ballot as Warrant Article 3. There would be no need of another public hearing if the BOS accepts the verbiage as presented by the Planning Board.

Selectman Hooper explained the reason and the content of the proposed Warrant Article. (See Warrant Article 3, page 6)

MINUTES FROM PREVIOUS MEETING(S): Minutes of February 21, 2019: On a motion by Selectman Fratzel, seconded by Selectman Wilmot; ***the Board voted to approve the BOS minutes of the February 21, 2019 meeting as presented. The motion passed 4-0-1 (Hooper abstained).***

Minutes of March 4, 2019: On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted to approve the BOS minutes of the March 4, 2019 meeting as presented. The motion passed 5-0-0.***

NPS Minutes of March 4, 2019: On a motion by Selectman Fratzel, seconded by Selectman Wilmot; ***the Board voted to approve the BOS NPS minutes of the March 4, 2019 meeting as presented. The motion passed 5-0-0.***

CONSENT AGENDA: On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted to approve the Consent Agenda of March 18, 2019 as presented. The motion passed 5-0-0.*

OPEN FORUM: Mrs. Kate Luppold addressed the BOS with a proposal from the LAC. She asked for permission to hang painted wooden birds from the trees on the Common as well as create clay faces with tack backs. With the BOS permission, they would like to tack the faces to the trees on the Common and downtown sidewalk area. A motion was made by Selectman Wilmot *to accept the LAC proposal.* It was seconded by Selectman Hooper.

The Chairman and Board members were informed that the trees were under the Conservation Commission's purview. Should they (the Commission) be asked? Selectman Hooper agreed with the request.

Selectman Wilmot revised his motion to: *to accept the LAC proposal with notification and acceptance by the Conservation Commission.* It was seconded by Selectman Hooper.

Mrs Irwin asked that they also ask the Heritage Historical Commission to approve it (the proposal). Mrs. Irwin, member of the Heritage Commission, stated the trees were on land in the historical district of the Town and the Heritage Commission should also be asked. After a short discussion between Selectman Wilmot and Mrs. Irwin; Selectman Wilmot said that the Board will: *Instruct Town Manager Rieseberg to contact the various Boards and Committees to make sure the BOS is not offending them.* Mrs. Irwin asked that, *"and otherwise approve it"* be added to the motion. Selectman Wilmot agreed to the amendment.

Selectman Wilmot's amended motion read: On a motion by Selectman Wilmot, seconded by Selectman Hooper; *the Board instructs Town Manager Rieseberg to notify the Boards noted of the proposal and to get their acceptance of the project and to approve it.* Selectman Hooper seconded the motion. *The motion passed 5-0-0.*

Mr. Bert Spaulding, Sr. spoke concerning the finances of the school district.

COMMUNICATIONS: Selectman Connell had nothing to share at this time.

Selectman Fratzel had nothing to share at this time.

Selectman Wilmot had nothing to share at this time.

Selectman Hooper had nothing to share at this time.

Chairman Kessler thanked everyone that went and voted on the school ballot. A record 1,245 voters cast their ballots on Tuesday, March 12, 2019 in the Opera House. He encouraged everyone to again go out and vote at the Town Meeting on May 14, 2019.

Town Manager Rieseberg had nothing to share at this time.

INFORMATIONAL: Virginia Irwin – Town Moderator: Town Moderator Irwin addressed the Board of Selectmen and said she was at the meeting to explain the rules in which they could engage the public concerning the Bond Articles. She spoke to them concerning the Deliberative Session and Voting Session as it relates to the (proposed) Community Center. She stated the following rules for display of items for the Community Center (Warrant Article 4).

Town Moderator Irwin stated that at the Deliberative Session on April 2, 2019 it was legally permitted to display pictures, architectural drawings and models of the proposed Community Center. They could answer questions at the Deliberative Session (The same thing could be done for the WWTP bond). They could NOT solicit for donations for the proposed Community Center at the Deliberative Session or the day of voting.

On Town Voting Day (May 14, 2019), no one could set up inside the Opera House to display pictures, etc. of the proposed Community Center. People could stand outside the Opera House and talk to people.

Chairman Kessler stated, for clarification, there was no campaigning on Voting Day; but questions could be answered at the Deliberative Session. Town Moderator Irwin stated he was correct.

Selectman Fratzel asked why they could not show plans the day of voting. Town Moderator Irwin stated they could not interact with voters in such a way as to try and sway votes. She had been in touch with the NH Secretary of State's Office and received all applicable information on this topic. Town Moderator Irwin continued her explanation, saying information was in the Warrant. Memos brought into the voting booth and left would be taken away.

Town Moderator Irwin concluded by saying she wanted to inform both the BOS and viewing public of the rules concerning the Deliberative Session and Voting Day.

Sidewalk Tractor Status: Town Manager Rieseberg gave a short explanation of the status of the sidewalk tractor and that there would be a recommendation of equipment in the near future.

Solar Project Update: Town Manager Rieseberg addressed the BOS and stated that he had hoped to have a representative from Norwich Solar at the meeting. They are scheduled to be at the April 1, 2019 meeting to give the Board a detailed update. There have been engineering problems; the company representatives will explain.

Chairman Kessler asked, for clarification, about the Norwich Solar company paying part of the Town's electrical bill. There was a short discussion (Finance Director Brown stated payment would be up to \$5,000).

Croydon contracts: At Croydon Town Meeting citizens voted to go into negotiations for contracts for police, radio dispatch and ambulance services with Newport. The towns are currently in negotiations with services to begin on July 1, 2019.

Manager Update on Oak Street Bridge: Town Manager Rieseberg stated that he had the Daniels Construction Company work schedule. They will proceed as weather allows.

ACTION ITEMS: none

APPOINTMENTS: none


NON-PUBLIC SESSION (NPS): On a motion by Selectman Fratzel, seconded by Selectman Wilmot; *the Board voted by roll call vote to enter into NPS pursuant to RSA 91-A:3 II (a) Personnel at 9:14 p.m. The motion passed 5-0-0.*

The Board voted unanimously to exit the non-public session at 9:25 p.m.

No action was taken.

The Board voted unanimously to adjourn at 9:25 p.m.

Respectfully submitted,



Maura Stetson
Scribe

The next regular meeting of the Board of Selectmen is scheduled for April 1, 2019 at 6:30 p.m.

Approved on: April 1, 2019