

**OFFICE OF SELECTMEN
6 HOLLAND STREET
PO BOX 139
MOULTONBOROUGH, NH 03254**

Selectmen's Meeting

July 21, 2011

MINUTES

Selectmen: Selectmen: Joel R. Mudgett, Chairman; Edward J. Charest, James F. Gray; Russell C. Wakefield; Betsey L. Patten; Carter Terenzini, Town Administrator; Hope K. Kokas, Administrative Assistant.

- I. **CALL TO ORDER:** Joel called the meeting to Order at 7:00 P.M.
- II. **PLEDGE OF ALLEGIANCE**
- III. **REVIEW/APPROVE MINUTES:** Ed made the Motion to approve the Minutes of July 7, 2011. Betsey Seconded the Motion. The Motion carried Unanimously.
- IV. **NEW RESIDENTS:** Kenneth L. & Sheila M. Haigh, David Romano, Kenneth M. & Florence J. Rowe.
- IV. **CITIZEN INPUT:** 1) Hollis Austin asked the Selectmen if the properties which are sold at tax sale would be used as qualified sales. Russ replied that they wouldn't be considered qualified as they are not at arm's length and would be considered a distress sale. Mr. Austin questioned Vision Appraisal's methods. 2) Joe Quaresima asked if the state of NH has reviewed the 2010 update. Carter replied that the conclusion from the BTLA review appraiser, as noted in the weekly update, was that it was done in an equitable manner and the analysis and update did attain market value. Carter added that they will have to see what BTLA does.
- V. **NEW BUSINESS:**
 1. **Personnel Announcement: Oath of Office, Patrol Officer Daniel Ingram:** Joel introduced Patrol Officer Daniel Ingram, who began the interviewing process in May which included a physical ability testing, oral board interview, psychological, medical, and polygraph examination. He is a graduate of Plymouth State University with his Bachelor of Arts degree in Criminal Justice in 2009. He is hoping to move to Moultonborough from Derry upon his completion of the Police Academy. Joel gave the oath of office to Patrol Officer Ingram. The Selectmen congratulated Officer Ingram and welcomed him to Town.
 2. **Presentation: Susan Terzakis, Special Asst. to Senator Kelly Ayotte:** Ms. Terzakis told the Selectmen that she focuses her attention on Belknap and Carroll Counties, working on projects and cases. She invited the Selectmen to contact her with any problems. Her focus is on commerce, communication, grants and loans, HUD issues – assisting those facing foreclosure, neighborhood stabilization. Senator Ayotte sits on the Armed Services Committee, Budget and Commerce Committees, to name a few. Senator Ayotte's constituents are invited to meet with her, one on one, in Washington, D.C. Thursday mornings and should go to her website to make an appointment. Betsey commented that she is pleased that Senator Ayotte takes the time to read everything. She suggested that Ms. Terzakis leave her business cards in the lobby for people to contact her. Hollis Austin asked if Senator Ayotte supports the "Cut, Cap & Balance" bill and if

she has any legislation towards this effort. She replied that the Senator is a proponent of a balanced budget and this bill is very lengthy and she needs time to read it and review it. Ms. Terzakis said that she would be available outside of the meeting room during the Selectmen's meeting for anyone who wanted to meet with her. The Selectmen thanked her for coming.

3. Review for Approval: Lakes Region Conservation Trust, Exemption Status: Carter reported that Don Berry of LRCT was not able to attend the meeting, but in his email said he would attend the August 18th meeting. He pointed out that the LRCT Board had considered a PILOT of 10% annual revenue from the Ossipee Mountain Electric antennae and the specifications and we had responded at a higher amount and were hopeful to come to an agreement soon. LRCT will be holding an annual meeting (August or September) and town officials will be invited to attend. They have met with the Moultonborough Conservation Commission. Based on Mr. Berry's memo, Betsey asked and the Selectmen confirmed that this item will be tabled until they meet with Mr. Berry.
4. Review for Approval: Castle In The Clouds Preservation Society, Exemption Status: Ann Hackl, Chair of the Castle in the Clouds Preservation Society Board of Directors introduced the Executive Director, Michael Desplaines and fellow Board members. She reminded the Selectmen of their tour of the Castle last year, viewing the restoration work that's been done and the areas that will be restored. She provided Russ with a synopsis packet of the restoration work. Russ commented that the Castle had been a for profit business before LRCT purchased it and before the Castle Preservation Society existed, and it had been making money, providing no service to the Town and asked what was the benefit to the Town. Ms. Hackl replied that the property is a museum and is working toward becoming a National Landmark through Washington, D.C., which will bring prestige to Moultonborough. Prior to the Castle Preservation Society, there was no preservation being done and only makeshift repairs and basic maintenance. There was money being taken out and none going back into the property. The focus prior to LRCT owning the property was on the bottling plant business. Russ asked what the fees and donations are going to and about the 2010 net income reported on their IRS 990. Ms. Hackl responded that there were three months to go and they had payroll and repairs to be made to the horse barn. She said that the museum has to be economically sustainable and the seasonal business is not enough to restore the property. The hope is that once the restorations are made, they will create an endowment. Russ reviewed their profit and loss statement that they submitted. Ms. Hackl stated that they are non-profit and any proceeds have to be put back into the business. The surplus for 2010 was the first profit they've had and went to pay for expenses. Jim told Ms. Hackl that he had worked up at the Castle for many years under the Stick family and was offended to hear how his former employers were being negatively represented as not caring for the property. Prior to LRCT owning the Castle, it had been one of the largest tax payers in Town. Russ asked if they reported to IRS a long term reinvestment program and if so, he requested to see it. Ms. Hackl replied that the IRS 990 that they had received is what they reported. Ms. Hackl stated that all trustees and board members are volunteers. Betsey asked Ms. Hackl to explain how the Castle was acting in a charitable way and giving back to the Town. She replied that through preserving the significant architecture which is worthy of national status, bringing visitors to Moultonborough, by providing free passes to residents which are available at the Library, and on the last day of operation, opening the Castle to residents free of charge. They provide educational programs which are free and donations are requested, but not necessary. The Castle provides employment to 60 seasonal and 5 full time employees. Ed commented that he has been doing weddings at

the Castle for 20 years and the prior owner did the best that they could, but didn't have the amenities that the Preservation Society now has, but it still attracted a lot of people. He felt that when LRCT purchased the property it began a period of decline. Ed acknowledged that positive changes have been made along with the restoration work. Prior to tonight, he didn't know about the free passes available at the Library and felt that they could do a better public relations job in Town, publicizing events for the residents benefit. Jim agreed with Ed that the period of decline was due to LRCT not maintaining the property. He added that the Castle business helped pay for the bottling plant. He agreed with Ms. Hackl that it was a tribute to the Stick family selling the property to LRCT for preservation versus for the highest offer available, of which there were several. David Oliver spoke in favor of the Castle Preservation Society and of keeping it a tax exempt property, as it provides educational and historic opportunities. Ozzie McCloud told the Selectmen that he had been on the LRCT Board and now on the CPS Board and predicted that the Castle will become the new Old Man on the Mountain and will have more visitors, bringing good will and will help all businesses in the area. He added that he had been a shareholder under the Stick family. Joel commented that the Selectmen are pleased that the property is being preserved and it does bring business to Town. However, there are taxpayers without jobs and facing tax payments, and they are asking why the Castle is exempt and not paying its share. It is the Selectmen's responsibility to be sure that the Castle meets the exempt requirements. Ed suggested that the CPS do more with the school to promote the history of the Town. Betsey asked Ms. Hackl and the Board of Directors to be sure that the tours represent the history correctly and not speak negatively of the former owners. Russ requested to view the CPS IRS documents since their beginning of 2006. Mr. Desplaines said that he would provide the Selectmen with these documents as it is public information and would have it available to them for their next meeting, August 4th. Joel asked that this be tabled and it was agreed by consensus.

5. Review for Approval: DPW's Request Re: FY 2011 Road Program & Road Sealing Account: Russ asked and Carter replied that both of the contractors were from out of Town. Betsey made the Motion to approve to withdraw \$54,231 from the Road Sealing Fund for payment of \$7,231 to Bedford Seal Coating and \$47,000 to Allstate Asphalt. Ed Seconded the Motion. The Motion carried Unanimously.
6. Review for Approval: DPW's Request Re: Amendment to FY 2011 Road Program: Carter reported that originally \$275,000 was budgeted to reconstruct a portion of Sheridan Road. Staff is now requesting that \$220,000 be shifted to other projects based on opposition received from the recent Sheridan Road neighborhood meeting. It is recommended to look at a design to reduce the road width to 18', which needs to go back to the engineers for study and design, and is predicted to cost approximately 10% less than the original estimate. Because of the design time needed and then to schedule another neighborhood meeting, it is recommended to put the reconstruction on hold and repave 7,950' of Sheridan Road from Route 25 north. Carter asked for approval of a task change order for \$180,000 with F.R. Carroll, \$30,000 for local contractors which includes the repaving of 7,950' of Sheridan Road, 1,350' repaving of Saw Mill and Red Hill, and 400' repaving of Lower Paradise Drive. \$10,000 will cover the engineering cost for Sheridan Road. Ed asked why they were repaving Sheridan Road again. Carter replied that in the past only a basic coat of 2" had been done and it needs 1.5" of shim and overlay on top. Several Sheridan Road property owners expressed their displeasure of the original road design of 22' and their concern of losing old stone walls and substantial trees. Joel commented that in the past there would have been no notice to the

abutters until the actual work began. He credited Carter with instituting the neighborhood meetings to inform property owners and to take back valuable information. Peter Jensen, a Planning Board member and a resident of Sachem Road felt that the collector road classification (22' width) applies to new subdivisions and not pre-existing roads. He is in favor of the 18' road and felt it was unreasonable to retrofit an old road to meet new subdivision regulations. Joel agreed that this needs to be looked at. Doug Heald of Abenaki Lane and a civil engineer suggested using catch basins versus drainage ditches and is in favor of the new design. The Selectmen were asked for reassurances that the road would be reconstructed. Joel replied that it has been recommended to spend more money on the engineering plan and to hold subsequent neighborhood meetings and possibly the work would occur next year. Russ replied that it would be up to the voters at Town Meeting, but it would remain on the Highway Agent's list. Jim agreed that the Highway Agent will continue to push for it to be done, as he doesn't want Town trucks damaged on the road. Carter reminded everyone that during a neighborhood meeting a couple of years ago, one road was put off for redesign and then they came back and did the work. The Selectmen all agreed that they want to get it done. David Oliver suggested that a "band aid" repair be made which would last another 50 years. Russ replied that this wouldn't work and will result in property owners coming back to the Selectmen and complaining. Joel added that he doesn't know of any road that even with a reconstruction lasts anywhere near 50 years. Bonnie Muscavitz asked what would be done with the bridge by her house. Carter replied that it is on hold and the bridge will be looked at separately. Doug Held commented that the Town shouldn't do any work until they do the study and do it right. Betsey Made the Motion to amend the F.R. Carroll paving contract in the amount of \$180,000, \$30,000 to local contractors, and the KV Partners FY 2011 Road Program Task Order in the amount of \$10,000, authorizing the Chair to sign the task order amendments. Jim Seconded the Motion. The Motion carried Unanimously.

7. Review for Approval: LRPC-TAC Alternate Appointment: Ed stated that previously Dan Merhalski, the former Town Planner had been the LRPC-TAC member. He Made the Motion to appoint Scott Kinmond (now Alternate) as the member and appoint Herb Farnham as the Alternate. Betsey Seconded the Motion. The Motion carried Unanimously.
8. Review for Approval: Fire Dept. Request Re: Review of Fire Boat Bids: Carter reported that this time around they received 4 bids, with the lowest bidder being Eastern Boats of Milton, NH for \$173,858. The other bidders had material deviations to the specifications and at higher costs. Eastern Boats can't provide a 5 year warranty as the motor is considered a commercial motor. As with all of the bidders, delivery would not occur during this boating season. They expect delivery from Eastern Boats in the spring. Chief Bengtson recommends accepting the bid from Eastern Boats. Joel commented that the present boat originally was not a real fire boat and has been out of commission for repairs. This boat will be a real fire boat. Ed Made the Motion to authorize the Chair to sign the contract with Eastern Boats for \$173,858 for the purchase of the fire boat. Jim Seconded the Motion. The Motion carried Unanimously.
9. Review for Approval: Fire Dept. Request Re: Review of Red Hill Fire Tower: Joel reminded the Selectmen that in the 2011 budget they cut back staffing at the tower. In Chief Bengtson's memo, the Fire Department now recommends not manning the tower at all. They have had difficulty manning it using either call staff or full time fire fighters. Carter recommended staffing the best they could and as needed through the fall, but not charging the surrounding towns. The question then becomes maintaining the lease for the

next 2 years. Betsey asked if they should staff the tower when they can with the intention of not staffing in the upcoming year. Joel thought that if the Town has the lease, when there is a high class 5 days or periods, then they should try to man the tower and hold a public hearing at some point for the public to have input. He agreed that they shouldn't bill the surrounding towns. Carter reminded the Selectmen that the major issue with the lease is the maintenance of the tower and surrounding area. It was agreed by consensus to continue to man the tower during high fire danger periods if possible and to not bill surrounding towns for the 2011 year.

10. Review for Approval: Sale of Tax Deeded Lands, September 8, 2011: Carter reported if 2 abutters are bidding for a lot, then the highest and in case of a tie, the earliest bidder will be awarded the lot. Russ asked why we are charging the \$25 packet fee. Carter replied that the packet is available on line at no cost. For those who want a printed copy, the fee is to cover copying and color maps. Betsey Made the Motion to authorize the Town Administrator to proceed with advertising the September 8, 2011 sale of the tax deeded properties as outlined in the draft package. Ed Seconded the Motion. The Motion carried Unanimously.
11. Review for Approval: Discharge of the BRC on Community Services & Facilities: Betsey Made the Motion to discharge the members of the Blue Ribbon Commission on Community Services & Facilities with thanks from a grateful community for their service. Jim Seconded the Motion. The Motion carried Unanimously.
12. Review for Approval: Disposal Agreements (2), Bernow & Casazza: Betsey Made the Motion to approve the Disposal Agreements as stated on each for Eric Bernow of 265 Sheridan Road and Karen Casazza of 65 Buttonwood Drive. Ed Seconded the Motion. The Motion carried Unanimously.
13. Review: Sick Leave Bank Withdrawal: Joel reported that the Sick Leave Bank Board has approved the employee's request for the maximum withdrawal of 160 hours (20 days) from the Employee's Sick Bank. The members of the Sick Leave Bank Board have requested that the Selectmen review the policy regarding part-time employees. The Selectmen agreed that they would like the members to bring them their recommendations for their review.
14. Review: Resignation of Police Officer James M. Quinlan: Joel reported that Officer Quinlan has submitted his letter of resignation as a full time police officer as of September 30, 2011. He is hoping to stay on in a part-time capacity. The Selectmen accepted his resignation with regret. Betsey asked and the Selectmen agreed that the question of part-time status is a separate matter.

VI. OLD BUSINESS: None.

VII. OTHER BUSINESS:

1. Board Liaison Reports: Betsey reported that the chair of the CIPC, Richard Brown requested direction about funding projects from the capital improvement account until 2012. She added that they think they need to come up with funding mechanisms. After some discussion, Carter suggested that the Board advise the CIPC to not plan for the use of the Capital Reserve Funds in their preparation of the Capital Improvement Program. This matter can be addressed at greater length next year after further discussion. The Selectmen agreed by Consensus. Betsey asked for guidance to the CIPC on how to treat the present leases for the grader and backhoe. By consensus it was agreed the amount of the annual leases should be included in the amount spent historically in the past for

comparison to the amounts to be expected in the future. In addition, they've received a request for a new police cruiser. When asked what the maintenance has been spent to date on the cruisers, they didn't have this information. They need a way to track the maintenance per cruiser. Russ said that the prior chief had a maintenance schedule for the fleet and if they aren't tracking it now, they need to. Betsey reported that Jane Fairchild resigned from the CIPC.

2. Administrative Update: Carter reported that in addition to his weekly report, he was looking for the Selectmen's approval for the visual survey being done by the state to layout road warning signs. He gave as an example, the dangerous intersection signs by Fox Hollow Road. Betsey cautioned that this would be pending on state and federal funding. Approved by Consensus.
3. Planning Board Minutes, June 29, 2011 & July 13, 2011: Acknowledged. Ed reported that they have been working on the Sign Ordinance contradictions and access management on Route 25. He complimented the interim Planner, Dave Holden, saying that he's doing a good job and keeping them on track.
4. Zoning Board of Adjustment Minutes, July 6, 2011: Acknowledged.
5. Capital Improvements Program Committee Minutes, July 6, 2011: Acknowledged.
6. Trustees of the Trust Funds Minutes, June 30, 2011: Acknowledged.

VIII. CORRESPONDENCE:

1. Tgibedes Family, July 1, 2011, Police Department: Joel reported that the Tgibedes' letter was in gratitude for Police Chief Dawson and the department for helping their family.
2. Time Warner Cable, July 5, 2011, Possible Program Changes: Joel reported that this was their usual letter of possible programming changes.
3. Bonnie Muscavitz, July 6, 2011, Sheridan Road: In her email, she expressed her concern as a Sheridan Road resident of the reconstruction of the road.
4. UNH Technology Transfer Center, July 7, 2011, Craig Dunn, Roads Scholar Two: Joel reported that Craig Dunn has achieved the level of Road Scholar Two. The Selectmen agreed that it was great that the Highway staff are taking classes and it is a benefit to the Town.
5. Kate Newburger, July 11, 2011, Sheridan Road: Ms. Newburger, a resident of Sheridan Road expressed her concern regarding the reconstruction of the road.
6. Terence C. Jatko, July 12, 2011, Sign Ordinance & Street Numbering Ordinance: Carter reported that the Code Enforcement Officer has reviewed the questions asked in Mr. Jatko's letter and requested allowing the CEO to respond directly to him on his findings. Approved by Consensus.

IX. CITIZEN INPUT: 1) Hollis Austin asked if Officer Quinlan's position will be filled with a full time officer. Joel replied that it would be filled. He asked if the money for the labor Town Council is coming out of the same account for Town Council. Carter replied that both come from the one account. Mr. Austin asked for an update on the Playground Drive playing field. Carter said that they met this week and will meet again next week. They should have concepts and costs for the Selectmen early on in August.

X. NON-PUBLIC SESSION: Joel reported that they needed to go into Non-Public Session. Betsey Made the Motion for the Selectmen to go into Non-Public Session per RSA 91-A:3 II (a) and (c). A Roll Call was taken: Jim – Aye; Betsey – Aye; Ed – Aye; Russ – Aye; Joel – Aye. The Selectmen went into Non-Public Session at 9:32 p.m.

The Board exited Non-Public Session at 10:27 p.m. having voted by a vote of 2/3 or greater of the members present to not disclose the minutes and decisions reached therein to the public, as divulgence of the information discussed likely would affect adversely the reputation of any person other than a member of the public body itself, until - in the opinion of a majority of the members - the aforesaid circumstances no longer apply.

- XI. **ADJOURNMENT:** Ed Made the Motion to Adjourn. Betsey Seconded the Motion. Motion Carried Unanimously.
Joel adjourned the meeting at 10:28 p.m.

Approved

Date
Respectfully Submitted
Hope K. Kokas, Administrative Assistant