

Selectmen's Minutes

14 June 1999

7:00pm

The regularly scheduled Selectmen's meeting was called to order by the chair, George Lagassa at 7:00pm. Those present included Jack Steiner, (Selectman), and Russell McAllister (Town Administrator). Allen Hines was on an excused absence due to business.

The Selectmen reviewed the meeting minutes of May 24<sup>th</sup>. Mr. Steiner made the motion to accept the regular minutes of May 24<sup>th</sup>. Mr. Lagassa seconded the motion. The vote was unanimous and so moved.

The selectmen reviewed correspondence and/or signed:

- a. Minutes - May 24<sup>th</sup>
- b. Payroll
- c. Manifest
- d. Discharge of Elderly & Disabled Liens
- e. Conversion of Liens / Town pays taxes & clears the books on last year's tax warrant
- f. DOT excavation permit
- g. State Education Tax Warrant (\$2,624,929)
- h. Donor Town meeting w/managers in Concord
- i. Fire Fighter's contract - Board signatures
- j. DOT - William Hickey (Driveway Permit extension)
- k. Coakley minutes
- l. PUC - HWW rate increase request July 15<sup>th</sup> 10am
- m. Media One Correspondence (new channel lineup)
- n. DES - Landfill Closure Grant
- o. Property abatement - Carter & Margaret Bishop
- p. Congdon Real Estate - purchase town owned land

The TA presented a property abatement request by Carter & Margaret Bishop dated 06/23/99. The TA explained that the deadline for filing the application was March 1<sup>st</sup>. The Bishop's impetus for filing originated from a change of address request initiated by the Bishop's with the former Tax Collector. The request for address change was never acted upon and tax bills were subsequently mailed to the Bishop's out of state address. The Bishop's tax bill was therefore received late and resulted in interest penalties. The wrong address and lateness of receipt of the tax bill prompted the Bishop's to file for abatement of interest on their tax bill. The TA noted that all tax bills are sent with address forwarding and return receipt. The additional cost of postage also insures that any new forwarding address is mailed back to the tax collector. Mr. Lagassa noted that the Bishops had owned the property since 1994 and had a record of paying previous tax bills and that they were familiar with the Town's semi annual tax billing. After further discussion wherein it was agreed that ownership of property also carried with it the responsibility for paying property taxes, Mr. Hines made the motion to deny the abatement request. Mr. Steiner seconded the motion. The vote was unanimous and so moved.

The TA reported on the meeting in Concord that day of the "donor communities". The TA noted that of those in attendance there was strong support for the lawsuit against the state over the issue of the education funding mechanism. Several towns had appropriated \$10k to support the technical aspects of the lawsuit. The technical aspects included analyzing the disproportionate and widely varying property assessments of all the towns within the state. No community present was against a statewide property tax, or providing an adequate education. Rather, the opposition stemmed from the way the tax was implemented. The NH State

Constitution mandated that all property be assessed proportionately and uniformly and that was not now the case. Some towns had not conducted a revaluation of real property in 20 years. A statistical measure of uniformity is the coefficient of dispersion (COD). The state routinely utilizes the formula to determine whether a town is taxing all property proportionately and uniformly as specified under the state constitution. A COD under 10 is excellent. A COD between 10-20 is good. Anything over 20 is very poor. Yet, there are over 50 towns with COD's exceeding 20. Another concern expressed by the towns in attendance were the attendant costs associated with administering the system. The towns and not the state will pay for the costs of collecting the tax. This amounted to an unfunded mandate. A wide-ranging discussion ensued from those in attendance. Mr. Tim Harned asked why the town should be involved in the suit. Mr. Lagassa explained that the tax was disproportionate and that there was a net outflow of dollars from the community. Simply because North Hampton had a wealthy tax base did not mean everyone in town was wealthy. Mr. Harned pointed out that Portsmouth's agenda may not be in North Hampton's best interest. He believed they would more strongly favor an income tax. Mr. Harned wanted to know if any study had been done that compared the net outflow of dollars from North Hampton under a state property tax versus an income tax. Mr. Lagassa thought it a good point to make, but noted that the Board does not represent one particular economic strata over any other in Town. On this issue the Board represented the financial interests of the town in much the same fashion a Board of Directors represented the business interests of a company. The decision to support the technical aspects of the lawsuit with \$10k was tabled until the full Board was present to further discuss and vote on the issue.

The TA next reported on insurance costs between the Town's present carrier, Tobey & Merrill, and the NHMA's Property Liability Trust (PLT). Tobey & Merrill offered insurance (via Great American) at an annual cost of \$36,824 compared with an annual insurance cost of \$30,732. The PLT's annual premium is guaranteed for three years through 2001. The TA explained that there were also differences in coverage between the two offerings, particularly under law enforcement liability. Great American offered one million per claim with an additional 1-million through umbrella coverage. There was 2 million aggregate annual limits for law enforcement liability. The PLT offered 2 million per claim with no annual aggregate limit. The PLT also offers a wide variety of loss prevention workshops and training, on site and regionally. It was noted that PLT had a \$1,000 deductible compared with Great American's \$500 deductible. The TA reported that Dean Merrill always provided excellent service through his agency. Asked for a recommendation the TA responded that the insurance policies offered were very much the same. The distinguishing differences between the two were the amount of coverage offered by PLT under the law enforcement liability section, three years guaranteed costs, and loss prevention training. This made insurance coverage from the PLT the more compelling choice. The Board agreed. Mr. Steiner made a motion to accept insurance coverage as offered by PLT. Mr. Lagassa seconded the motion. The vote was unanimous and so moved.

The Board next discussed and signed the renewal of the Circuit Rider contract whereby the RPC provides planning services to the Town. The cost was \$35/hr for 240 hours, which represented a total cost of \$8,400. There was some mixed discussion by those in attendance concerning RPC service levels during the past year. Coordination of the Winnicutt River Study by the RPC received criticism from Shirley Carter of the Conservation Commission. Ms. Carter noted that RPC staff did not meet repeated attempts for information concerning the status of the study by members of the conservation commission. The Board agreed with Ms. Carter's statement. However, the Board did maintain that the service provided by the circuit rider was well worth the money and that often the Town received more in services than what was paid for. Mr. Landman explained that the Executive Director had largely been absent during this time and that his staff duties fell to the assistant director who may have had an already full plate. The Board members, all of whom have served on the planning board, were unanimous in their support for the RPC circuit rider John Krebbs whose services had proven timely and invaluable over the years.

**Motorcycle Program Status Report**

*Program Status Report*

The TA reported that the costs for the program thus far were (categorized below):

Uniforms	\$1,220.00
Decals/Lettering	\$ 125.00
Registration	\$ 2.50
<b>Total</b>	<b>\$1,347.50</b>

It was noted that all costs were paid for through the Police Benevolent Association by local businesses. Mr. Lagassa asked who the supporting businesses were. The TA agreed to have the Police Chief provide the information.

**Town Administrator's Report**

*Construction Status of Dearborn Park Pavilion*

The TA reported that the construction status of the pavilion at Dearborn Park was ongoing. The remaining money appropriated during Town meeting for Warrant Article XIX (construction of a pavilion in Dearborn Park) would need to be carried over from the current fiscal year into the 1999-2000 fiscal year. Mr. Steiner made the motion to carry the remaining funds from Warrant Article XIX into the next fiscal year. Mr. Lagassa seconded the motion. The vote was unanimous and so moved.

The TA notified the Board that an offer by Congdon Realty to purchase land owned by the Town had been made for lot 011-013-000. The Board asked whether they could conduct such a transaction without approval from the voters at town meeting. The TA noted that a previous action by the voters at town meeting authorized the Board to conduct such transactions. The TA offered to check with the Town attorney. The issue was tabled pending further research.

The TA also briefed the Board on a tract of land Mr. Peter Simmons wished to donate to the Town. The TA explained that the property would be going to tax deed and that the parcel was wetland. The Board asked to have the Conservation Commission review the donation and make a recommendation.

**Selectmen Issues**

*Bid Award for HWW Utility Appraisal*

Mr. Lagassa provided a brief synopsis of events associated with the HWW utility appraisal issue. Request for qualifications were sent out (RFQ's) to over 30 firms. Four of the appraisal firms were interviewed. Of those four appraisal firms, two were asked to provide detailed costs. Of those two appraisal firms, only Brooks Valuation Services responded with a quote of \$25,000. Discussion ensued regarding the intent of the electorate when Warrant Article XIV was approved (an appropriation of \$75k to fund the cost of legal and technical services associated with the acquisition of that portion of the Hampton Water Works Company's plant and property which the Selectmen judge suitable for establishing a municipal Water utility), and Warrant Article XIII was not (actual acquisition of the water utility with a future vote by the municipality regarding the purchase price). Mr. Henry Fuller believed that the interpretation of the voting results compelled the Board to discover the value of the whole system and not just the portion of the HWW in North Hampton. Mr. Lagassa noted that the voters did not pass Warrant Article XIII that required a two-thirds majority vote which would have led to actual acquisition of the water company. The voters did approve Warrant Article XIV that called for studying the legal and technical issues associated with acquiring the Water Company. While the situation presented something of a contradiction, the Board believed that both the intent and goal of the warrant article could be reconciled. The Board was not interested in spending taxpayer money for solely determining the value of the company. The investment of

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taxpayer money should lead to a return of value somewhere. To reconcile the issue, the appraisal firm would establish a business value for the entire HWW Company. This would satisfy the intent of funding the "technical services" portion of the warrant article. Utilizing the business value appraisal approach not only established the business value of the HWW, but it would also determine the value of the assets in North Hampton for ad valorem, or tax purposes. This would satisfy the Board's criteria that the expenditure of taxpayer money would lead to a return on investment. In this case, a more realistic market value for the utility that would result in HWW paying a fairer share of taxes. Those present seemed satisfied with the approach. Mr. Steiner made the motion to carry the \$75,000 in Warrant Article XIV from the current fiscal year into the 1999-2000 fiscal year. Mr. Lagassa seconded the motion. The vote was unanimous and so moved. Mr. Steiner made the motion to award the bid for appraisal of the HWW to Brooks Valuation Services. Mr. Lagassa seconded the motion. The vote was unanimous and so moved.

**Selectmen Issues**

Mr. Steiner noted that there was still a vacancy on the RPC's Scenic Byways Committee that the Town could fill. Mr. Steiner made the motion to appoint Jim Mixer as a member to the Scenic Byways Committee. Mr. Lagassa seconded the motion. The vote was unanimous and so moved.

**Questions & Comments**

Lucille Ellingwood commented that the recent paving in town looked very good.

There being no further business to come before the Board the public meeting adjourned at approximately 9:25pm.

Respectfully,

Russell McAllister  
Town Administrator