



TOWN OF NORTH HAMPTON, NEW HAMPSHIRE  
**SELECT BOARD**  
**APPROVED MINUTES**

---

REGULAR MEETING – MONDAY, FEBRUARY 8, 2010 –7PM  
MARY B. HERBERT CONFERENCE ROOM

---

*These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.*

---

**1. Call to Order & Call of the Roll**

Chair Salomon called the meeting to order at 7:00 PM. Those present were Chair Salomon, Selectman Coutu, Selectman Rineman and Town Administrator Steve Fournier.

**2. Non-Public Session – 6:00 PM in the Executive Conference Room 2<sup>nd</sup> Floor, pursuant to RSA 91-A:3 II (a, b, c)**

Chair Salomon noted for the record that the Select Board had just come out of a Non-Public Session.

**Motion by Selectman Coutu to come out of the non-public session and to seal the minutes. Seconded by Selectman Rinemna. Motion carries 3-0.**

Chair Salomon invited those in the audience to join the Select Board in the Pledge of Allegiance.

Chair Salomon confirmed with Town Administrator Fournier that the meeting had been properly posted.

**3. Consent Calendar<sup>1</sup>**

No items

**4. New Business**

**4.1 Resignation of Susan Halliday Smith to the Zoning Board of Adjustment**

**Motion by Selectman Coutu to accept the resignation of Susan Halliday Smith with regret from the Zoning Board of Adjustment. Seconded by Selectman Rineman.**

**Motion carries 3-0.**

**4.2 Appointment of Theodore Turchan to the Zoning Board of Adjustment**

---

**THIS LOCATION IS HANDICAPPED ACCESSIBLE. THOSE WISHING TO ATTEND WHO ARE HEARING OR VISION IMPAIRED MAY MAKE THEIR NEEDS KNOWN BY CONTACTING THE AT TOWN HALL 964-8087**

<sup>1</sup> These items are routine in nature and are approved without discussion. Should a member of the Board request to have an item removed, it shall be placed on the agenda under new business. The consent format is to expedite the business of the Board when adequate backup material has been provided.

Chair Salomon stated that he understood that the process to appoint someone to fill the vacant position was that the Chair of the Zoning Board of Adjustment is empowered to appoint an alternate to sit until the next election, and that the Select Board is being asked to ratify that appointment.

Town Administrator Fournier stated that the Chair of the Zoning Board of Adjustment is allowed designate one of the members to fill the vacancy until the vacancy is filled. He further stated to the Select Board would be filling a vacancy, and if Mr. Turchan is approved, making him a full member from an alternate member. If there is no action by the Select Board, he will continue to be an alternate member.

Chair Salomon stated that the Select Board had received a letter from Mr. Rick Stanton, Chair of the Zoning Board of Adjustment indicating that he appointed Mr. Turchan for the remainder of the unexpired term, so he would essentially be a full time alternate. Chair Salomon stated that Mr. Stanton is requesting that the Select Board take whatever action deemed appropriate which could be as simple as filling out the term which is up in May.

Selectman Coutu asked if Ms. Smith's term would have ended in May of 2010, and therefore would that co-terminate Mr. Turchan's appointment in May of 2010 as well.

Town Administrator Fournier stated that yes that seat would be up in May 2010, and then from that point it would be an elected position. Until such time the Select Board is the appointing authority.

Selectman Rineman stated that he has known Mr. Turchan since 1990 when he was an alternate on the Planning Board, and feels that he is extremely well qualified, and is a great pick for the position.

Mr. Stanton explained to the Select Board that there will be two vacant seats in May, and as of May it will be a fully elected Zoning Board of Adjustment.

Chair Salomon concurred with Selectman Rineman. He further stated he feels Mr. Turchan brings three things to the position; Mr. Turchan has worked very hard to familiarize himself with the laws surrounding land use, he brings to the Zoning Board of Adjustment the understanding of what the Board's role is and his experience in town gives him some institutional knowledge that is important for a smooth transition on any board. Mr. Turchan also brings a great deal of common sense to the deliberations.

Selectman Coutu stated that he sees this as filling a position pro tem and that the public will get its choice of candidates come the May election.

**Motion by Selectman Rineman to appoint Theodore Turchan as a primary member to the North Hampton Zoning Board of Adjustment with a term to expire in May, 2010. Seconded by Selectman Coutu. Motion carries 3-0.**

#### 4.3 FY11 Budget Review

Town Administrator Fournier explained to the Select Board that at the Budget Committee meeting of February 1, 2010, the Municipal Budget Committee asked that the budget be lowered

by an estimated 2%, or approximately \$80,000 from the deductions they have already made of \$15,354.

Town Administrator Fournier stated that the Budget Committee seems to be focused on the health care increases for union personnel and the deputy chief position in both the fire and police departments. He further stated that he informed them they could not instruct the Select Board as to where the reductions are made, but they would be provided with suggestions as to where such a reduction could be made.

Town Administrator Fournier stated that he had estimated the health care increase for union personnel with a rate increase of 20% versus the guaranteed maximum rate increase of 27.3% that the Local Government Center had quoted. Non union personnel are already budgeted for a 21% increase since a proposal of a change in their plans has been suggested. The following are proposed reductions:

01-4130-10-560 EX Coalition Communities reduce by \$1,000  
01-4150-60-620 DP Technology reduce by \$5,000  
01-4153-10-322 AT Labor Negotiations reduce by \$10,000  
01-4194-10-410 GB Electricity reduce by \$3,000  
01-4194-10-750 GB Furniture reduce by \$1,500  
01-4210-10-160 PD Overtime reduce by \$10,000  
01-4210-10-210 PD Health Insurance reduce by \$10,129  
01-4220-10-160 FD Overtime reduce by \$7,284  
01-4220-10-210 FD Health Insurance reduce by \$12,996  
01-4312-20-130 HW Part Time Salary reduce by \$8,500  
01-4312-20-210 HW Health Insurance reduce by \$1,560  
01-4312-20-444 HW Care of Trees reduce by \$500  
01-4312-20-770 HW Asphalt Paving reduce by \$3,000  
01-4312-20-813 HW Sand reduce by \$1,000  
01-4790-10-981 Debt Service – BAN interest reduce by \$5,000

Town Administrator Fournier stated that the proposed reductions can be made by level funding them at their current budget or historical expenditures (Coalition Communities, Labor Negotiations, Electricity and Furniture). In addition, it proposes eliminating two new items (Part time Highway employee, BAN interest). This will bring the budget in with a 2.4% increase.

Town Administrator Fournier stated that the two largest impacts will be on the Police and Fire overtime and health insurance lines. He further stated that if the health care estimates do not drop, it will require reducing current staffing levels in the Police and/or Fire Departments.

Selectman Coutu stated that in all due respect to the Budget Committee, the view that the Select Board took was that the increase was based on what the total impact is to the taxpayers, and to unbundle the operating budget from the warrant articles is not the right fiscal examination to be done. He further stated that the fact the budget came in with a 2.8% increase was more than acceptable, particularly given the 0% increase in the operating budget last year.

Selectman Coutu stated that he is very involved in the Police Department as the Select Board representative in negotiating a labor contract. Overtime was examined in great depth and was

determined to be \$80,000, and he would offer the opinion based on some extensive analysis, is a number that is critical to the safety of our officers and that \$80,000 is what it takes. That's what the contract results are based on seniority, vacation allotment, sick time, and compensation time, all of which is codified in the contract. It is not possible to arbitrarily say the overtime should be a different number. Selectman Coutu stated that he does not support a \$10,000 decrease in the police overtime budget, and that the \$10,000 adjustment should come from somewhere else in the budget.

Selectman Coutu stated that all the Select Board has at this point is a guaranteed maximum rate that the health care cost for the new fiscal year would not exceed 27.3%. In recent years it has worked out that the actual cost has produced a lower cost than the guaranteed maximum rate, and to be pushed into an arbitrary pick of 20% by the Budget Committee means that when the rates are finally set for the new fiscal year and if they are higher than 20%, no provision has been made in the budget. The consequence of that means that we will most likely have no choice but to reduce staffing someplace in respect to the town's payroll, depending on how that 20% that is being artificially put into the budget compares to the actual cost when that happens in May or June. He further stated that he felt it is fiscally irresponsible and a bad budget practice, and the notion of arbitrarily picking 20% to artificially suppress the budget is a bad business practice.

Selectman Rineman stated that he concurred with Selectman Coutu, and that if you are going to have some sort of a formula or process that was used last year to determine budgets, then you should use that same process this year, unless it is not working. He further stated that he felt that because the school came in with a 2% number, the Budget Committee felt that was the magic number. Selectman Rineman stated that he felt the Select Board should stick with the 2.8% figure that they started with.

Chair Salomon stated that he concurred with his colleagues. The most important thing from his perspective, is that the budget that the Select Board worked up was "all up and all in." This basically means that the operating budget is looked at and what the Select Board thought was prudent to provide the level of service to the citizens of North Hampton, and that they are entitled to, and to protect our fire fighters, police officers and public works employees while they are out there doing their jobs. The Select Board looked at what that represented. And understood part of the increase was due to contractual obligations. The state is down shifting a lot of expenses to the towns. Having said that, Chair Salomon stated that he felt the Select Board came up with a budget that was prudent. It was then looked at to see what that impact would be on the taxpayers if we funded the warrant articles at the level being considered initially, and determined that it was too high, and went to work to cut some completely and take some from the undesignated fund balance. Chair Salomon stated that he believes it is artificial and not practical to depart from the historical approach of the Budget Committee, and to this year looking at those two elements piece meal. Chair Salomon stated that in regard to the specific suggestions that Town Administrator Fournier has come up with, then his first instinct is to stick to their guns, and if the Select Board was to look at ways to come up with the \$80,000 then the Police Department overtime should not be looked at. Chair Salomon congratulated the Fire Department's leadership for bringing their overtime budget down over the years, and they have done a terrific job. Chair Salomon stated that the final point he would make is if it came to a reduction in the work force based on what is known now, he does not believe there would have to be any layoffs.

Selectman Coutu said that the Select Board led the charge for a 0% increase last year in the operating budget, and that was followed through by the school last year and to their credit they

came in with a 0% increase in the operating budget. He further stated that the significance of not having any increase in the operating budget ignores the fact that the preponderance of what goes into the budget are costs which the Select Board does not have the opportunity to change. What is paid to the firemen and police officers is by contract negotiation and the resulted labor contract is a contractual matter binding both the union membership and this town. The Select Board cannot arbitrarily change the math. Selectman Coutu stated that for example there is an obligation to pay the retirement benefits of the union members as well as non union members to the N.H. State Retirement System. There is no ability to control that cost because it is set by state statute. A greater portion of the state's budgetary problems are being pushed down onto the towns and cities by the state. He further stated that the numbers are the numbers as far as health care, and the Select Board has no ability to change the market place dynamics of what the premium costs will be beyond what the LGC acting as the broker, is able to obtain for the town. The amount of truly discretionary items that the Select Board can influence and change is but a small portion of the total budget, and the evidence of that is looking at the default budget, and that it is almost a mirror image of the Select Board's proposed budget. He further stated that by having a 0% increase in the budget last year meant that the budget had to absorb those increases that were contractually mandated, or were fixed costs which the Select Board had no discretion. To go another year and try to put an artificial boot strap on the budget just can't be done, and he has great difficulty in supporting the reductions that the Budget Committee is requesting.

Selectman Coutu suggested that the Select Board attend the Budget Committee meeting on Thursday night.

Chair Salomon stated that at the end of the day it is incumbent on the Select Board and the Budget Committee to come up with a budget that reflects the reality of the situation, and the values of the community as best the Select Board can with what is known.

#### 4.4 FY11 Warrant Article Review

Town Administrator Fournier stated that there was one additional warrant article that the Budget Committee asked for and that was a septic system for the cemetery and it's been estimated at about \$7,500.

Chair Salomon read through the Warrant Articles and the Select Board voted as follows:

Contribution to the Road Reconstruction Capital Reserve Fund

**Motion by Selectman Coutu to recommend the Warrant Article in the amount of \$12,000 as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Town Building Maintenance Capital Reserve Fund

**Motion by Selectman Coutu to recommend the Warrant Article in the amount of \$5,000 as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Contribution to the Mosquito Control Capital Reserve Fund

**Motion by Selectman Coutu to recommend the Warrant Article in the amount of \$25,000 as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Change in Purpose to the Accrued Benefit Capital Reserve Fund

The words “at the time of separation” were deleted.

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Contribution to the Accrued Benefit Capital Reserve Fund.

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Contribution to the Health Benefit Stabilization Capital Reserve Fund

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Lease Purchase Agreement for Front End Loader

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Lease Purchase of a One Ton Plow Truck

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Lease Purchase Agreement for Two Police Cruisers

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Lease Purchase Agreement for Fire Engine

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

Contribution to the Library Capital Reserve Fund

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman.**

Discussion: Selectman Coutu asked that if the Town Campus were to go forward, and assume that it involves some kind of improvement with respect to the library, whether it is a new library or improving the current infrastructure, then what is the effect of the capital reserve fund, and could money be withdrawn from that fund for reasons other than a library addition or a new building?

Town Administrator Fournier stated that if the original warrant article stated that it can only be used for the library then it cannot be used for anything else. He further stated that it would be his recommendation to invite the Library Trustees in to discuss the Warrant Article.

Selectman Coutu stated that sense the town campus initiative is about to kick off, at least with selecting a candidate, would it not make sense then to decide whether appropriating more

monies for the library gets decided on how the campus study might play out. He further stated that if the motion did not carry forward for this warrant article, it would not go before the voters.

Town Administrator Fournier stated that you could put it on the ballot with a not recommended by the Select Board vote.

Chair Salomon stated that because of the structure of the town government, the library trustees are essentially setting up money to do what they want with in regards to the town center.

**Motion by Selectman Coutu to not recommend the Warrant Article as recited. Seconded by Chair Salomon. No action taken.**

**Motion by Selectman Coutu to lay this Warrant Article on the table. Seconded by Selectman Rineman. Motion carries 3-0.**

Installation of Septic System at Cemetery

**Motion by Selectman Coutu to recommend the Warrant Article as recited. Seconded by Selectman Rineman.**

Discussion:

Selectman Rineman suggested adding wording about bringing water in to show that it is part of the process.

Selectman Coutu stated that there is a wealth of vaguely that surrounds the cemetery. He asked about the sheetrock that was done, and the original cost of approximately \$4,000. Town Administrator Fournier stated that the original price was too low, and the numbers were reworked by the building inspector and public works director.

**Motion carries 3-0.**

Purchase of Fire Utility Vehicle

**Motion by Selectman Coutu to approve the Warrant Article as recited. Seconded by Selectman Rineman. Motion carries 3-0.**

4.5 Approval of Cemetery Trustees Septic System Warrant Article

This item was discussed under item 4.4

**Motion by Selectman Coutu to reapprove the Town's investment policy guidelines as originally adopted by the Select Board in November of 2008. Seconded by Selectman Rineman. Motion carries 3-0.**

## **5. Items Laid on the Table<sup>2</sup>**

### **5.1. Select Board Rules and Procedures**

Town Administrator Fournier stated that he would be circulating a draft by the end of the week.

## **6. Report of the Town Administrator**

---

<sup>2</sup> Items laid on the table shall remain on the table until a member of the Select Board makes a motion to remove such item from the table.

**Coalition Communities:** The House Finance Committee unanimously voted to recommend the full House on Wednesday to kill an open-ended proposal to extend the education funding collar/transition that allows us to retain our excess Statewide Education Property Taxes (SWEPT) if they are spent locally on education. A second bill, HB1677 does not specifically allow us to retain all of the SWEPT, but we would retain most of them. This was recommended to kill by a closer vote of 14-11. Rep. Scamman representing North Hampton voted against killing the bill.

I will be sending a letter to our delegation requesting that they support the passage of the bill.

Also today, the Senate Finance Committee held a hearing on two Senate bills to extend the current formula, one for two years and the other for four.

The Governor has concerns there are legal issues associated with extending the collar outside the context of re-examining the rest of the formula. The Governor believes extending the collar does not address the long-term issues that the new education funding formula is not sustainable over the long term, and he continues to support a constitutional amendment to target aid to the neediest towns. The Governor is looking to work with lawmakers, educators, stakeholders, and affected communities in a process to “move forward with this.” However, when members of the Committee asked what the Governor wanted them to do, they did not provide a specific response.

I will keep the Select Board updated on this matter.

**Fire Fighter Grievance:** As you may have read in the media, the Professional Fire Fighters of New Hampshire have undertaken a statewide effort to file grievances. The issue is that the NH Local Government Center in October changed the way in which people can get their pharmaceutical benefits. They are now requiring people to order their maintenance medicines through mail order services, changed how specialty drugs are dispensed and increased the price of name brand drugs if generic ones are available and a doctor has no issue with that drug being used. The Board did this in order to reduce the ever-increasing cost in prescription medicine plans to the local government. As you are aware, we received this grievance a few weeks back as well as a few dozen other communities. I have forwarded this to counsel to respond to the union. This action could cost the Town upwards of \$5,000. I will be meeting with other managers to determine the best way to handle this in the near future.

#### **Dates to Remember:**

*Tuesday February 10, 2010 @ 10am*

Meeting with Assessors

*Monday February 15, 2010*

Office Closed – Presidents Day

*Tuesday February 16, 2010 @ 9:30AM; 11:30AM; 12:30PM* Meeting with Town Campus Design Firms

## **7. Minutes**

7.1. Regular Meeting November 23, 2009

No votes taken

7.2. Regular Meeting December 14, 2009

**Motion by Selectman Coutu to approve the Select Board minutes of December 14, 2009 as amended. Seconded by Selectman Rineman. Motion carries 3-0.**



7.3. Workshop January 6, 2010

No votes or actions taken

7.4. Workshop January 14, 2010

No votes or actions taken

7.5. Regular Meeting January 25, 2010

**Motion by Selectman Coutu to approve the Select Board minutes of January 25, 2010. Seconded by Selectman Rineman. Motion carries 3-0.**

Chair Salomon stated that the minutes of November 23, 2010 will be taken up at the February 9, 2010 meeting, and the January 6 and 14 workshop minutes at the February 22 meeting.

8. Adjournment

**Motion by Selectman Coutu to adjourn the meeting. Seconded by Selectman Rineman. Motion carries 3-0.**

Respectfully submitted,

Janet L. Facella