



TOWN OF NORTH HAMPTON, NEW HAMPSHIRE
SELECT BOARD
APPROVED MINUTES

REGULAR MEETING – MARCH 12, 2012 –7PM
NORTH HAMPTON TOWN HALL

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

1. Call to Order

Chair Maggiore called the meeting to order at 7:00 PM. Those in attendance were Selectman Wilson, Selectman Miller and Town Administrator Fournier.

Chair Maggiore led the Pledge of Allegiance.

2. Approval of Minutes of Previous Meetings

2.1 Select Board Minutes of February 13, 2012

Motion by Selectman Wilson to accept the February 13, 2012 minutes as amended. Seconded by Selectman Miller. Motion carries 3-0.

2.2 Select Board Minutes of February 27, 2012

Motion by Selectman Miller to accept the February 27, 2012 minutes as amended. Seconded by Selectman Wilson. Motion carries 3-0.

2.3 Select Board Minutes of March 5, 2012

Motion by Selectman Wilson to accept the March 5, 2012 minutes as amended. Seconded by Selectman Miller. Motion carries 3-0.

3. Consent Calendar

Motion by Selectman Wilson to move items 1 and 2 from the Consent Calendar to New Business items 6.5 and 6.6. Seconded by Selectman Miller. Motion carries 3-0.

Motion by Selectman Wilson to approve items 3 through 7 on the Consent Calendar. Seconded by Selectman Miller. Motion carries 3-0.

4. Communications to the Select Board

No items

5. Report of the Town Administrator

FY13 Health Care Rates: We have received the actual health care rates for FY13 and I have some good news. We will be seeing a reduction in our rates over last year of 5% on average. This number will be different depending on the plan that the employees are enrolled in. The following chart outlines the changes:

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		<u>FY12</u>	<u>FY13</u>	<u>%</u> <u>Increase</u>	<u>Town Cost</u>
<i>BCBS3T5RDR - R\$3/15M\$1</i>		\$	\$		\$
<i>(Fire)</i>	Single	10,713.60	10,225.68	-4.55%	9,203.11
	Two-	\$	\$		\$
	Person	21,427.20	20,451.48	-4.55%	18,406.33
		\$	\$		\$
	Family	28,926.72	27,609.48	-4.55%	24,848.53
<i>BCBS3T5RDR - R\$3/15M\$1</i>		\$	\$		\$
<i>(Police)</i>	Single	10,607.52	10,124.04	-4.56%	9,111.64
	Two-	\$	\$		\$
	Person	21,215.04	20,248.20	-4.56%	18,223.38
		\$	\$		\$
	Family	28,640.28	27,335.04	-4.56%	24,601.54
		\$	\$		\$
<i>BCBS2T20IPDED - RX10/20/45</i>	Single	9,374.76	8,851.68	-5.58%	7,745.22
	Two-	\$	\$		\$
	Person	18,749.52	17,703.36	-5.58%	15,490.44
		\$	\$		\$
	Family	25,311.96	23,899.56	-5.58%	20,912.12
		\$	\$		\$
<i>MTB10IPDED - RX10/20/45</i>	Single	8,753.28	8,209.68	-6.21%	7,183.47
	Two-	\$	\$		\$
	Person	17,506.56	16,419.36	-6.21%	14,366.94
		\$	\$		\$
	Family	23,633.88	22,166.16	-6.21%	19,395.39

This change will save the Town an estimated \$28,056 over last year. We have already reduced the FY13 operating budget by \$25,000 understanding that this rate change was coming.

Municipal Budget Committee Proposed Budget: The Municipal Budget Committee wrapped up the annual budget process last Thursday night and is forwarding an operating budget for FY14 of \$5,679,577 or \$23, 303 less than the Select Board proposed. Please be aware that \$20,000 of those saving is from the previously mentioned reductions in healthcare costs.

In addition, the Municipal Budget Committee unanimously recommended all financial warrant articles that they were presented with.

Deliberative Session: I have talked with the Town Moderator and we are suggesting that Deliberative Session and the Town Election be held here in the Town Hall. Deliberative Session will be Saturday March 31 at 8:30AM and the Election will be May 8 from 8AM to 7PM.

Little River Monitoring Grant: We have been notified by the NH DES that we were not awarded the grant for the Little River Monitoring. They informed us that it was one of the most competitive rounds that they have had. I wanted to commend the Conservation Commission, especially its chair, Chris Ganotis for the efforts they put forward in applying for the grant. We will still be able to monitor the river if the FY13 budget passes since the Select Board budgeted \$10,000 to do the monitoring.

Historic Resources Survey: The Heritage Commission of North Hampton is preparing to undertake a Historic Resources Survey of the Town of North Hampton. State statute gives the Heritage Commission the authority to survey and inventory historical and cultural resources, conduct research and to publish its findings. The state and federal standard for such research is any structure or site more than fifty years old. This ongoing project

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will be conducted in phases. Because of the importance of the area adjacent to the Town Hall, phase 1 of the survey will be Atlantic Avenue from Lafayette Rd. to Pine Rd.

This Survey will be conducted by volunteers trained by the New Hampshire Division of Historic Resources. The volunteers will be recruited, interested citizens of North Hampton. Using the inventory form of the New Hampshire Division of Historic Resources, volunteers will gather and record architectural and historical data and take photographs at approximately 46 sites.

There will a public awareness and informational session at the Town Hall on March 22, 2012 from 7-9 PM. They are encouraging people to attend to learn more about the process and how they can become involved in the survey, as well as learning how to survey a home owner's own property.

A training session will be held for volunteers May 5, 2012 at the Town Hall. This will be a 1/2 day workshop conducted by Mary Kate Ryan of the New Hampshire Division of Historical Resources and will include actual field work.

The Heritage Commission is very enthusiastic about undertaking this survey process. We are encouraged by the interest in preserving our cultural heritage voiced by so many residents. This will be a great step forward in maintaining the character of our town for future generations.

Please call Jane Currivan @ 603.553.7031 or email nhheritage@gmail.com if you plan to attend the March 22nd session.

Outstanding Items

Philbrick Pond/ Bass Beach: No update

6. New Business

6.1 2012 Beach Sticker Fee

Motion by Selectman Wilson to set the beach sticker fee at twenty five dollars for the year 2012. Seconded by Selectman Miller. Motion carries 3-0.

6.2 Auditors' Report and Management Letter

Eric Demas from Melanson Heath and Company reviewed the Town's financial statements as well as the Management Letter for the audit prepared for the year ended June 30, 2012.

Mr. Demas stated that during the fiscal year 2011, the Town implemented new accounting standards, including GASB (Governmental Accounting Standards Board) Statement #45 that deals with other post employment benefits (OPEB) and GASB Statement #54. The two changes with the implementation of the GASB statements will most notably be seen in the traditional balance sheet and income statement. New terminology in relation to fund equity has also been implemented to include five new classifications: non spendable, restricted, committed, assigned and unassigned.

Mr. Demas stated that another key change that will be seen with GASB Statement #54 will be showing Capital Reserve Funds as a component of the general fund.

Mr. Demas reviewed the Independent Auditors' Report which included the Management Letter and the Management's Discussion and Analysis. He further reviewed the Statement of Net Assets, Balance Sheet, Revenue Statement, Statement of Fiduciary Net Assets

Selectman Wilson asked Mr. Demas to explain the net OPEB obligation and what it means for the town's bond rating.

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Mr. Demas stated he did not believe there would be an effect on the town's bond rating because the bond banks have always known that the liability existed.

Mr. Demas discussed the recommendations that Melanson Heath is proposing based on the audit. He stated that he wanted to discuss the top three recommendations which are to improve the financial reporting and accounting system, transition other funds to the general ledger and develop a more formal risk assessment process.

Mr. Demas stated that there are several accounts that are being done "off book" that needed to be brought into the general ledger in order to be in compliance with internal controls, and to make the monthly reconciliation process easier.

Mr. Demas stated that they were recommending that the town implement a more formal risk assessment process in order to identify where it may be vulnerable to errors and/or irregularities.

Chair Maggiore stated that all of the auditors' recommendations have been agreed to by the town and efforts are under way to implement them.

Selectman Wilson asked Mr. Demas what he would recommend to the Select Board for a reasonable deadline for the finance department to have items 2, 3, 4 and 7 of the Management Letter in place.

Mr. Demas stated that he hesitated to set a deadline because it is a process that needs to be done carefully and thoughtfully planned out. He further stated that he felt it was feasible based on his conversations with the finance department to have item number two completed by fiscal year end 2012.

Doug Smith, Finance Director stated that some of the comments in the Management Letter are of no surprise to the finance department. He further stated that it is his goal to complete all of the items in the Management Letter by the time the Fiscal Year 2012 audit is completed.

Selectman Wilson stated that he felt it was very important to have the transition of other funds into the general ledger completed in order to go into Fiscal Year 2013. He asked whether there would be part time assistance available in order to complete the project.

Mr. Smith stated that he felt confident that the finance department will get there by the June 30, 2012.

Selectman Miller stated that the Select Board is considering a warrant article that will ask the citizens if they would like to have an appointed treasurer, and he personally would like to see that person performing the treasurer's duties in the town offices, not in their home.

Selectman Wilson stated that he thinks that going forward; the town needs to maintain the proper kind of independence between the finance department and the treasurer. He further stated that it doesn't mean that they should be unpredictable or inaccessible.

Mr. Smith stated that he felt having an appointed treasurer versus an elected treasurer is not the essence of what is trying to be achieved. He further cautioned that most treasurers complete 90% of their duties outside of the town offices pursuant with their duties. Mr. Smith also stated that he would be cautious not to set expectations that would leave the town looking for something that they are not going to get.

Selectman Wilson asked who was responsible for insuring that the town's collateralization policy is being maintained.

Mr. McCormick stated that the finance department collectively monitors the policy.

Selectman Wilson asked Mr. Demas if he could explain the proposal that was received from Melanson Heath and Company regarding auditing services, and the suggestion of an allocation of 45 hours of partner time to the annual audit, when the other firms were 25% of that amount of time or less.

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Mr. Demas stated that he had not seen the proposal that was submitted, but that Melanson Heath and Company is a firm with very strong partner commitment in every one of their audits, and it is the firm's philosophy that they are very involved with their client's.

Motion by Chair Maggiore to suspend the rules of the meeting to allow to continue after 9:00 PM. Seconded by Selectman Miller. Motion carries 3-0.

6.3 Proposed Non-Financial Warrant Articles

Selectman Miller spoke to the petitioned warrant designating Mill Road as a "scenic road." Selectman Miller stated that there has been some very aggressive tree cutting by Public Service of New Hampshire in order to mitigate the branches of trees getting into power lines. Cutting has been taking place not only inside the town's setbacks but also on homeowner's land.

Selectman Miller stated that Mill Road is one of the few streets left in North Hampton with a lot of "canopy cover" and would hate to see that disappear because of overly aggressive cutting. He further stated that he there was a way to apply the allowed state laws by designating Mill Road as a scenic road.

Robert Field, 123 Mill Road stated that agreed that some of the trees along Mill Road needed to be trimmed, but that there certainly did not need to be deforestation. Mr. Field encouraged the Select Board to support open dialogue between Public Service of New Hampshire and the town.

Town Administrator Fournier stated that he had spoken with a representative from Public Service of New Hampshire, and they are very willing to meet with members of the community to discuss this issue.

Selectman Wilson thanked Mr. Field and Selectman Miller for what they have done for the town regarding this issue. He further stated that it is the esthetic value that generates the economic value of tourism in the state. If you take away trees and stone walls that border the roads, there will be a deterioration of attractiveness of the community for the people that are a significant source of revenue for the state and the town.

Selectman Wilson stated that it is his understanding that in order to cut any tree on public land you must first receive the approval of the town Tree Warden.

Town Administrator Fournier stated that was his understanding as well, and the town was not notified of the cutting. He further stated that this was would be addressed.

Mr. Field stated that when the cutting that is being proposed is done, it will affect the runoff of water, oils and petroleum substances that is on the roads, and changes the environmental aspects of that stretch of road. He further stated that this could be another incremental contribution to the deterioration to the town's aorta.

Chair Maggiore stated that he was not comfortable voting on this proposed warrant article because he hadn't had enough time to vet it, and is not sure of the ramifications if it is passed.

Town Administrator Fournier stated that the Select Board could hold a special meeting the following week to vote on the articles, as well as to sign the official warrant for posting.

Chair Maggiore called for a brief recess at 9:20 PM.

Chair Maggiore reconvened the meeting at 9:25 PM.

Selectman Miller read the petitioned warrant article that he submitted:

We the undersigned registered voters of the Town of North Hampton hereby petition the Select Board to place on the warrant and official ballot of the 2012 Annual Town Meeting the following article designating Mill Road as a "Scenic Road."

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Article_____ Shall we designate Mill Road a “Scenic Road” by adopting the provisions of RSA 231:157? A “Scenic Road” is described in RSA 231:158.

Motion by Selectman Wilson to recommend the petitioned warrant article as written. Seconded by Selectman Miller. Motion carries 2-0-1.

Chair Maggiore continued to read the proposed warrant articles.

Amending Town of North Hampton Code of Ethics

To see if the Town will vote to adopt the Code of Ethics as proposed by the Code of Ethics Committee which applies to all Town Officers, Elected Officials, Appointed Committee Officials/Members and Town Employees. [A full detail of the proposed Code of Ethics is available at the Town Clerk – Tax Collector’s Office during regular business hours and online at www.northhampton-nh.gov.]

Motion by Selectman Wilson to recommend the article with an amendment to change the wording to “adopting” instead of “amending” in the title. Seconded by Chair Maggiore for discussion.

Discussion:

Selectman Wilson stated at the last public hearing, several problems were identified by Selectman Miller. The following suggestions/changes were made:

- No representation provided by the town for either the complainant or the respondent by legal counsel;
- The need to make sure it is clear to what extent employees are governed by the Code of Ethics versus their employment contracts, collective bargaining agreements, or the personnel policies of the town;
- The speed of which the process could be implemented;
- Standing committee meetings are televised unless otherwise precluded by the RSA’s.

Selectman Wilson stated a concern that Selectman Miller raised was that because of the nature of the press in reporting these types of things, once a complaint is filed and it becomes an article of concern for the newspapers, a person is essentially indicted in the eyes of the public. Although the person may be exonerated, the exoneration typically gets far less press than the indictment. It then becomes very difficult for the person that has been accused to recover whatever damage to his or her reputation has been done.

Selectman Wilson stated that the Code of Ethics committee met to address the suggested changes and found a way to deal with them legally under the RSA’s and also to protect someone.

Selectman Wilson reviewed the changes that were made and a complete copy of the draft Code of Ethics is attached to these minutes.

Selectman Miller stated that he found the enforcement part of the Code of Ethics problematic. He further stated that it basically sets up a town court of citizens judging other citizens. The intention is to try to mitigate complaints and offer to settle wrongs that might be happening.

Selectman Miller stated that he did not see the need for the Code of Ethics. He further stated that the town cannot operate without volunteers, and fears this will have a chilling effect should there be another incident such as the one several years ago. Selectman Miller stated that if there is anything that is developed of a serious nature, he would call the police.

Selectman Miller stated that he cannot support the Code of Ethics, not because of its intent, but overall thinks it is a waste of time and doesn’t see the need.

Chair Maggiore asked if the Select Board was at the point where the Code of Ethics was inexpedient to legislate. He further stated after much thought about this, he endorses the Code of Ethics and as a volunteer appreciates having a “layer of protection.”

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Larry Pohl, 100 North Road stated she was a member of the Code of Ethics committee, and thanked Selectman Miller for the issues he brought up and having the committee take an even harder look at the document.

Ms. Pohl stated that she doesn't really see this board as a judicial type of a process, as the result of what this board does will be a recommendation. The decision will ultimately rest with the boards.

Robert Field, 123 Mill Road stated that there are enabling provisions in the RSA's for a code to be adopted that deals with a conflict of interest, which is quite different than the morality that Selectman Miller is talking about. He further stated that he questions whether the Select Board has the statutory authority to adopt a Code of Ethics that will be adoptable. Mr. Field stated that there will be amateurs dealing with the most sensitive, private issues and felt it was a very bad idea. He further encouraged the Select Board to vote the Code of Ethics down or at least table it and study it further.

Selectman Wilson stated that the benefit of the Code of Ethics is that it gives people an option who feels aggrieved by an action of a board which is short of going to court.

Selectman Wilson stated that the town attorney had reviewed the document and has a different opinion that Mr. Field. He further stated that he didn't feel any further work on it would significantly change anything or improve it. Selectman Wilson felt that it was important to let the legislative body decide whether or not there should be a Code of Ethics.

Motion carries 2-1.

Town Administrator Fournier read the following proposed warrant articles:

Heritage Commission Appointment

To see if the Town will vote to authorize the Select Board to serve as the sole appointing authority of the members of the Heritage Commission. This article will remove the current process whereby members of the Heritage Commission are nominated by the Planning Board prior to being appointed by the Select Board.

Motion by Selectman Wilson to recommend the warrant article. Seconded by Selectman Miller. Motion carries 3-0.

Large Assembly Ordinance

To see if the Town will vote to adopt the Large Assembly Ordinance. The purpose of this ordinance is to establish rules and regulations to provide sanitary, fire, police, health and safety measures in connection with large activities. A full copy of the text of the ordinance is available at the Town Offices and the Town Clerk – Tax Collector's office during regular business hours. It is also available on the town's website at www.northhampton-nh.gov. (Majority vote required.)

Motion by Selectman Wilson to recommend the warrant article. Seconded by Selectman Miller. Motion carries 3-0.

Fund Balance Ordinance

To see if the Town will vote to adopt the proposed Fund Balance Ordinance. The purpose of this ordinance is to improve the Town of North Hampton's financial stability, help prepare it for a financial emergency as well as contribute to the continuity of financial operations. This ordinance encompasses the minimum required, target, and maximum fund balance reserves, and the allowable uses of fund balance reserves. A full copy of the text of the ordinance is available at the Town Offices and the Town Clerk – Tax Collector's office during regular business hours. It is also available on the Town's website at www.northhampton-nh.gov. (Majority vote required.)

Motion by Selectman Miller to recommend the warrant article. Seconded by Selectman Wilson.

Selectman Wilson stated that the Select Board felt it was important for the legislative body to vote on this rather than having the Select Board just approve it, and by making an ordinance makes it a more effective means of managing the financial stability of the Town.

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Motion carries 3-0.

March Town Meeting

To see if the Town will vote to change the date for Town elections and the second session from the second Tuesday in May to the second Tuesday in March which would change the date for the first session (Deliberative Session) to a date between the first and second Saturdays after the last Monday in January, inclusive. (Majority vote required.)

Motion by Selectman Wilson to recommend the warrant article. Seconded by Selectman Miller. Motion carries 3-0.

Motor Vehicle Fee

To see if the Town will vote to adopt the provisions of RSA 261:153 and authorize the Town to collect an additional fee of \$5 on any motor vehicle registration collected in the Town. The money collected from this fee will be placed into a Municipal Transportation Improvement Capital Reserve Fund to help fund road and transportation improvements in the Town. (Majority vote required.)

Motion by Selectman Miller to recommend the warrant article. Seconded by Selectman Wilson for discussion.

Selectman Wilson stated that the State's funding for municipalities for road maintenance is going down, and this is a way of raising more revenue to maintain the roads. It is important to have the money to maintain the roads because if they are not properly maintained now, they will have to be reconstructed at a much higher cost.

Motion carries 3-0.

Changing from an Elected to an Appointed Town Treasurer

To see if the Town will vote to change the office of Town Treasurer from an elected position to an appointed position per RSA 41:26-e. Such appointment shall be made in accordance with RSA 669-17-d by the Board of Selectmen. Such appointment shall be made in writing and shall include compensation paid.

Motion by Selectman Miller to recommend the warrant article. Seconded by Selectman Wilson. Motion carries 3-0.

6.4 Proposed Code of Ethics

(This item was moved up on the agenda for discussion)

6.5 Approval of Land Use Change Tax for David Mahoney

(This was item 1 on the Consent Calendar that was moved to New Business)

Selectman Miller stated that he did not understand what this tax was.

Town Administrator Fournier explained that the owner had originally had 10 acres of land in current use, but has recently sold a portion, and will no longer qualify for current use so must pay the penalty for taking it out.

6.6 Approval of Land Use Change Tax for Sandra Bocko

(This was item 2 on the Consent Calendar that was moved to New Business)

Motion by Selectman Miller to approve items 1 and 2 on the Consent Calendar, which are now represented as items 6.5 and 6.6 under New Business. Seconded by Selectman Wilson. Motion carries 3-0.

7. Closing Comments

7.1. Closing Comments by Visitors

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Dieter Ebert asked if the proposed ordinances could be made available on the town website.

7.2. Closing Comments by Select Board Member

Chair Maggiore encouraged everyone to exercise their right to vote on March 13, 2012 at the school election being held at the North Hampton School from 8:00 AM until 7:00 PM.

Selectman Wilson suggested that the Select Board have a standing item on the agenda for “to do” items.

8. Adjournment

Chair Maggiore adjourned the meeting at 10:15 PM.

Respectfully submitted,

Janet L. Facella, Administrative Assistant

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