

34
35 Vice-Chair Sununu said US Gross Domestic Product (GDP) growth in the quarter ending in July was slow
36 but steady at 2%. He said recoveries in the past showed more solid growth but there has been more
37 volatility since 2008. He said Unemployment peaked in 2010 after the last recession, and the US rate was
38 now below 4% with New Hampshire (NH) at 2.5%. He said the economy is strong but there are few
39 available workers with jobs going unfilled, and wage increases have not been as robust as expected.

40
41 Vice-Chair Sununu said Labor Force Participation continued dropping after the recession until 2015. He
42 explained that was the percentage of the working-age population actively participating in the workforce,
43 either working or seeking to work. Ms. Pohl asked who was collecting that information and Vice-Chair
44 Sununu said the Bureau of Labor Statistics. She said a lot of people on the Seacoast participate in
45 employment in MA and ME, and Vice-Chair Sununu said for NH there are fewer jobs filled than work here
46 as 100,000 residents work in MA.

47
48 Vice-Chair Sununu said the Consumer Price Index (CPI) was right around 2% and not showing signs of
49 accelerating. He said typically low unemployment would lead to wage pressure which would lead to CPI
50 increases, but that is not showing up as expected and inflation has continued steadily at 2%. He said the
51 Wage & Benefit Growth for the private sector is changes in wages and salaries, and for the public sector
52 is State and local government workers, with typically more growth in benefits in the public sector. He said
53 Interest Rates were historically low as well as mortgage rates, with the 10-year treasury rate at 2.5%.

54
55 Vice-Chair Sununu showed NH GDP Growth versus National GDP Growth, and said NH was similar and
56 stabilized at a slow but steady rate. He said up until the 2000s, NH consistently grew faster than the rest
57 of the country, but the State has a large aging population and net migration slowed dramatically over the
58 last 10 years with younger starting to come back in. He showed the NH Median Income unadjusted, and
59 with real numbers adjusted for inflation. He said NH Housing Prices peaked in 2006-2007 before the
60 recession and bottomed out in 2012-2013, followed by a strong upswing and reaching an all-time high.

61
62 **North Hampton Tax Rate History**

63
64 Vice-Chair Sununu said in 2004 the tax rate for North Hampton started at \$15.05 and in 2018 the tax rate
65 reached \$16.24. He said as of last year North Hampton had the 40th lowest in the State out of the 235
66 property tax jurisdictions. He said generally when property values go up tax rates go down, and drops in
67 the tax rate could indicate revaluation. He said the components of the North Hampton Tax Rate are the
68 Town, local education, State education, and County tax rates. He said local education is combined with
69 State education and DRA splits the total between the North Hampton School and Winnacunnet.

70
71 **North Hampton Public Library Proposal**

72
73 Chairman Pinette said Selectman Miller approached him about a current plan he has come up with, and
74 he contacted Susan Leonardi as well but she asked to reschedule her presentation to a later date. Ms.
75 Pohl brought up a Point of Order and stated that she asked that something be added to the agenda which
76 was not added. Chairman Pinette said the agenda had already come out and he was not going to change
77 it. Ms. Pohl said per Rules & Procedures any member can add to the agenda.

78
79 Vice-Chair Sununu said this version of the Budget Committee has not adopted any Rules & Procedures,
80 and Mr. Stanton said those developed at that time were specifically for that session only. He said they

81 were proposed by John Anthony on a reluctant vote at that time to accept them with the limitation they
82 were just valid for that Budget Committee meeting.

83
84 Mr. Ferraro said because Mr. Miller has not been authorized by the Board of Selectmen to make his
85 presentation, he needs to make it as a private citizen. Selectman Miller said he was authorized by
86 Chairman Maggiore to do the work for this project. Mr. Ferraro said the plan was not authorized so he did
87 not have the authority as a Selectman to make his presentation. Mr. Stanton said there was a difference
88 between being authorized to do the work and approval. Selectman Miller said he was there to speak for
89 the Select Board and had a consensus.

90
91 Vice-Chair Sununu said he wanted to make the point that it does not matter because Nancy Monaghan
92 informed him there was a question about Selectman Miller making the same presentation to the CIP
93 Committee, and she consulted NHMA. Legal Services counsel Steven Buckley told Ms. Monaghan the CIP
94 Committee was well within its authority to hear Mr. Miller's proposal, and he properly presented his
95 proposal as a Select Board Member, not as a Select Board proposal. Ms. Pohl wanted to hear the question
96 and Vice-Chair Sununu read the memo from Nancy Monaghan in full.

97
98 Vice-Chair Sununu said this shows that the Budget Committee is acting properly under the same
99 parameters. He said they should be happy to hear from anyone in this Town who says they have a proposal
100 relating to Town Finances and would like to come to the Budget Committee. Mr. Ferraro said Mr. Miller
101 drafted this plan in which he has a personal interest and needs to recuse himself. Vice-Chair Sununu said
102 that was saying anyone with an idea has a personal interest because it is his idea.

103
104 **Motion:** That the Budget Committee listen to the plan proposed by Selectman Miller.
105 **Motioned:** Vice-Chair Sununu
106 **Seconded:** Mr. Stanton

107
108 Discussion: Mr. Chauncey referred to the opinion of the Town Attorney that the Select Board has no
109 authority over the Library Trustees. He said the opinion concluded that the planning, design, and
110 construction of Library buildings lies exclusively with the Library Trustees, subject to the appropriation
111 process. Selectman Miller said that is why he is here as it is subjected to budgetary process and he is a
112 member of the Budget Committee and a Selectman. Ms. Pohl said there was an order to follow for hearing
113 citizen's petitions. Vice-Chair Sununu said this is not a Citizen's Petition and not a Warrant Article, it is
114 information that a citizen and elected official of this Town wants to present about an idea about a matter
115 which involves the finances of this Town.

116
117 Mr. Chauncey said the Library Trustees have factual documented numbers and a signed contract, while
118 Mr. Miller's proposal does not. Vice-Chair Sununu said he did not see what that had to do with the merits
119 of whether they listen, and said people have a right to speak to this Committee. Ms. Pohl said they were
120 concerned that there seemed to be 2 different directions, only one of which has the authority to move
121 forward. Town Administrator Kaenrath said they have a motion and a second on the table.

122
123 **Vote:** Motion approved 5-4

124
125 Mr. Ferraro asked that Vice-Chair Sununu send a copy of Nancy Monaghan's memo to Chairman Pinette
126 for distribution to the Committee.

127
128 **Comprehensive Plan for North Hampton Town Buildings**

129
130 Selectman Miller said for years several Select Boards have tried to pass construction projects to address
131 the Town's antiquated facilities, and said the highest priority was to update Fire & Police Rescue buildings.
132 He said a Warrant Article last year to purchase a site for expansion did not pass and the focus of this plan
133 was to use the buildings and land the Town has now to their best purpose. He said results, cost, utility,
134 opportunity and time are all considered factors.

135
136 Selectman Miller said the Police building was built in 1990 with a second floor intended for expansion, but
137 since 2001 the Town employees have occupied the second story. He said the Fire Department was
138 constructed in 1968 with one fulltime fire employee and they now have a chief, 12 firefighters, and 24-
139 hour paramedic service. He reviewed a list of deficiencies in the Fire/Rescue Building as compiled by Fire
140 Chief Tully, which included structural problems, inadequate space for equipment, lack of storage space,
141 and crowd office space not properly separated from noise and equipment. He said Town employees
142 must be moved out of the Police Department to allow for Fire/Police/Safety Center improvements, and
143 the town had only one undeveloped location.

144
145 Plan for Long-Term Solution: Selectman Miller said the highest responsibility of the Select Board is the
146 health and safety of all of its citizens, and improvements for Public Safety were 10-15 years past due. He
147 said the development of Fire and Police needs first attention but cannot be addressed until Town
148 employees are relocated. He said the best, fastest, and most economical way to accomplish this would be
149 to build one new Town building, a new North Hampton Public Library on the Homestead Property. He said
150 once the old library building is vacated it can be repurposed as a new home for Town employees, after
151 which plans to renovate Fire & Police buildings can be executed.

152
153 Selectman Miller said he attached 2 drawings to scale of a new Public Library building sited on the
154 Homestead Lot which meet all requisite municipal setbacks. He said the plans show 2 options for locating
155 the new building and include augmented parking and a place for a new septic system.

156
157 Expanding the Library in Place: Selectman Miller said the current Library plan calls for expansion of a
158 building never intended to be expanded, which includes no additional parking. He said the design options
159 are limited by the condition and location of the existing building, the location of its leach field, and the
160 location of the Stone Building. He said the expansion of the existing building does not conform to present
161 and future needs of other Town public facilities and does not comply with setback requirements of the
162 Town Zoning Ordinance, but would be well-suited for the future location of Town employees and would
163 save the Town approximately \$1 Mil in cash, 1-2 years of time-imposed inflation costs, and only one new
164 building would be needed.

165
166 Phase 1: Select Board should meet with the Library Trustees to discuss the plan and its advantages.
167 Selectman Miller said the builder he approached estimated a cost of less than \$2.4 Mil for a 10,500 sq ft,
168 one-story building on the Homestead Lot, not including soft costs, with parking and septic additional. He
169 said the North Hampton Public Library Trustees had spent about \$95,000 on their plan to date and could
170 perhaps incorporate some of their design into the new building. He said the Select Board and Library
171 Trustees should work together on a complete design with a guaranteed maximum price to put on the
172 March ballot with a bond for funding. One year later the new Library would be occupied and the old
173 building repurposed as a new Town Administration Building. Once Town employees move from above the
174 Police Station, plans can be executed to address the Public Safety buildings for the long term.

175

176 Phase 2: Simultaneous with Phase 1, the Select Board should create an RFP to study rebuilding or
177 replacement of the Fire Station building in place, including the present drive-through space between the
178 Town Clerk and the Fire Department. Phase 3: Ask the Select Board to direct the Town Administrator to
179 plan the use of the existing Library for Town Employees, and get new cost figures for updating the
180 entrance and restrooms to meet ADA standards.

181
182 Phase 4: Long-term plan for the Town Clerk/Tax Collector would be to remain in place and re-pave the
183 present parking area. Phase 5: Inquire of the New Hampshire Bond Bank the cost of 20, 25, and 30-year
184 fixed rates and fixed payment bonds for \$2.5 and \$3 million. Phase 6: Select Board places the Bond
185 Warrant on the 2020 Ballot.

186
187 In conclusion, Selectman Miller said the fastest and most economical way to address the Town's
188 inadequate public buildings is to construct 1 new Town building, a new North Hampton Public Library, on
189 the Homestead Lot. He said this plan benefits all citizens, and has the best chance of achieving a 60% yes
190 vote on the Ballot.

191
192 Cost Differences to the Town

193 Selectman Miller said the left side of the document shows the costs for rehabbing the old Library building
194 at \$2,932,200, and on the right are the costs for building a new building at \$2,977,200. He said the cost to
195 build a new building for Town Employees would be \$1,375, 204 and the cost for renovating the old Library
196 for Town employees would be \$105,325.

197
198 Selectman Miller said figures from Library Trustees and the Construction Manager show \$3,438,000
199 including soft costs, and the guaranteed maximum price of \$2,607,200 minus soft costs. He said Ron
200 Lamarre estimated parking at \$275,000 so he added that as a cost, also adding \$50 for a clerk-of-the-
201 works. He said there was no estimate for ledge mitigation on the Homestead Lot. He said to build a new
202 Library on the Homestead Lot he added \$275,000 for parking, a clerk-of-the-works, and \$45,000 for a new
203 septic. He said an architect fee would be needed and one was already included in the Library expansion
204 soft costs. He said ledge mitigation should be added to both sides and architect fees for the new design.

205
206 Selectman Miller said new building for Town employees on the Homestead would cost approximately
207 \$1,375,304 and would take 2 years with 5% inflation plus the septic. He said if they build a new Library
208 they would need to bring the existing building for Town employees up to ADA compliance, with an
209 additional \$105,000 updated to next year's figures. They would also need a new HVAC system at a cost
210 of approximately \$250,000, with an estimated cost added for a more efficient system He said he also
211 added a 1-year postponement retrofit allowance and \$15,000 for a new furnace.

212
213 Selectman Miller said adding the columns on the left and right show a difference of \$1 Mil plus time
214 savings. He said to rehab the old Library requires the Town to build 2 new buildings, have 2 Budget
215 Warrant Articles, takes at least 3 years. He said the distance between the Stone Building and the expanded
216 Library would be 20 feet, minus 8 feet for an ADA ramp, and does not conform to Town setbacks. He said
217 building new will take only 2 years, maximize the Library design options, not crowd 2 buildings on a sub-
218 standard lot, and provide new parking for the Town. He said expansion costs a minimum difference of
219 \$1,023,735 in wasted taxpayer money, while building new saves at least \$1 Mil, 2 years of inflation, and
220 benefits everyone. He said the last 2 pages show the soft costs of \$520,500, then adding construction
221 costs to get to \$3,438,000 with contingencies for inflation included.

222
223 Questions:

224 Ms. Pohl said it would have been extremely helpful if the plan had been distributed before the meeting.
225 She asked why 5% was added for inflation when current inflation is 2%, and Vice-Chair Sununu said the
226 contractor said there was a 5% increase for construction costs. Ms. Pohl said the right side of the table
227 does not include bonding costs, and Selectman Miller said if the Library was expanded there would be 2
228 bonds, and this plan is for 1 building and 1 bond. He said the existing Library is 5,600 sq ft and not
229 encroaching on the Homestead Lot.

230
231 Mr. Chauncey said Mr. Miller added a parking lot to the Library's plan, and their plan was to keep the old
232 lot. He said in 2015 a study found the cost of renovating the Library for Town employees would be
233 \$800,910, and in 2019 Lavalley said \$1 Mil. Mr. Stanton said that included renovation of the Police
234 Department with brand new cells and storage. Selectman Miller said there was no intention to follow
235 Bowen's renovation estimate as there are things they need to do to the building like making it ADA
236 compliant. Mr. Chauncey said they would end up with 2 Warrant Articles, one based on fact and one not
237 based on real guaranteed numbers, and said facts could not be compared with only estimates.

238
239 Ms. Le asked about the Library plan for expansion not complying with setback requirements, and asked
240 about any possible litigation as a result. Selectman Miller said by State Law the Town is exempt from
241 following its own ordinance, but is an example of all the people it is asking to follow that ordinance, and
242 said if the Town has the opportunity to follow its own ordinance and chooses not to, and also wastes
243 money and time. He said as far as litigation he did not think it was appropriate that anyone would sue the
244 Town. Ms. Le said she felt anytime you approach going outside of what those ordinances are you become
245 more vulnerable.

246
247 Selectman Miller explained that in the last 2 diagrams he tried to be sensitive to Alden Avenue residents
248 who might not want an entrance there. He said since it is a corner lot the setbacks are different and are
249 heavier on the corner part. He said the Atlantic Avenue access setbacks are greater, with the building at
250 about 25 feet and said the lot line is not perpendicular. Mr. Stanton said even though the Library is its
251 own entity, it must go through the Planning Board, and said the Homestead Lot could never be sold in the
252 manner it was acquired because setbacks have been violated.

253
254 Mr. Goode asked what zoning violation the expansion of the Library would create, and Mr. Stanton said
255 the borders of the Homestead along the north and east would be violated. Selectman Miller said they
256 would also be encroaching on a septic field, and would be waiving their own setback. Mr. Ferraro said the
257 Town can't violate its own setback requirements. He said \$45,000 was recently authorized for work at the
258 Police Station and asked if that construction would stay in place, and Town Administrator Kaenrath said it
259 would still be a need. Mr. Ferraro asked Mr. Miller how he expected to have a Warrant Article ready for
260 March, and Selectman Miller said he encourages the Library Trustees and the Select Board to get together
261 to form one.

262
263 Mr. Ferraro said it has taken the Library Trustees over 2 years of public input session and design reviews
264 and revisions to get to this point for a Warrant Article. Selectman Miller said he attended 3 of those
265 listening sessions with the same 30 people in attendance and said he did not agree with what they had
266 come up with. He said additionally, the Library had spent \$95,000 which is not far off the cost of building
267 a new Library. Ms. Pohl asked if Lavalley Architects provided these assessments, and Selectman Miller
268 said Lavalley did the original design, and the unpaid, undone architectural expenses are still here in the
269 soft costs and have not been spent.

270

271 Selectman Miller said the Library has no public funds, only \$260,000 from historic funds which were
272 initially transferred to the Foundation illegally. He said these are all matching funds appropriated through
273 Warrant Article. Mr. Ferraro said Mr. Miller once commented that the Homestead was not ideal for new
274 construction, and Selectman Miller said they were down to one choice. Ms. Pohl asked about record
275 storage space and about the Document Management System being considered. Selectman Miller said
276 Document Management will probably start small and said with 10 years of storage there will be a lot of
277 records for a long time.

278
279 Chairman Pinette said he was meeting with some Library Trustees to actually come up with a compromise,
280 as it would be very difficult to pass something with 2 different plans. He said as far as adding something
281 to the agenda, if a request is inappropriate the Chairman will not be putting it on the agenda. Ms. Pohl
282 said she had something to discuss and if not allowed she will put it on the next agenda.

283
284 **PERIOD OF PUBLIC COMMENT** – None

285
286 **ANY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

287
288 **NEXT MEETING:** September 30, 2019 at 6:30 pm.

289
290 **ADJOURNMENT**

291 Ms. Le made a motion to adjourn the meeting which was seconded by Mr. Stanton.

292
293 Chairman Pinette adjourned the Budget Committee Meeting at 8:34 pm.

294
295 Respectfully submitted,

296 Patricia Denmark, Recording Secretary