

**TOWN OF RYE SELECT BOARD
MEETING**

**Monday, November 13, 2023, 5:45 p.m.
Rye Town Hall & Via Zoom**

Select Board Present: *Chair Tom King, Vice-Chair Bill Epperson, and Selectman Bob McGrath*

Others Present: *Town Administrator Matt Scruton, and Asst. Town Administrator/Finance Director Becky Bergeron*

5:45 p.m.

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair King called the meeting to order at 5:45 p.m.

**II. NON-PUBLIC SESSION (1) per RSA 91-A:3, II (b) Hiring
(2) per RSA 91-A:3, II (c) Reputation**

At 5:45 p.m., Tom King made a motion to go into Non-Public Session per RSA 91-A:3 II (b) Hiring. Seconded by Bill Epperson. Roll Call: Epperson – Yes, McGrath - Yes, King - Yes.

At 6:05 p.m., Tom King made a motion to come out of Non-Public Session. Seconded by Bill Epperson. Roll Call: Epperson – Yes, McGrath – Yes, King - Yes.

At 6:05 p.m., Tom King made a motion to go into Non-Public Session per RSA 91-A:3 II (a) Personnel. Seconded by Bob McGrath. Roll Call: Epperson – Yes, McGrath - Yes, King - Yes.

At 6:20 p.m., Tom King made a motion to come out of Non-Public Session. Seconded by Bob McGrath. Roll Call: Epperson – Yes, McGrath – Yes, King - Yes.

At 6:20 p.m., Tom King made a motion to go into Non-Public Session per RSA 91-A:3 II (d) Acquisition. Seconded by Bob McGrath. Roll Call: Epperson – Yes, McGrath - Yes, King -Yes.

At 6:23 p.m., Tom King made a motion to come out of Non-Public Session. Seconded by Bill Epperson. Roll Call: Epperson – Yes, McGrath – Yes, King - Yes.

At 6:24 p.m., Tom King made a motion to go into Non-Public Session per RSA 91-A:3 II (c) Reputation. Seconded by Bob Bill Epperson. Roll Call: Epperson – Yes, McGrath - Yes, King -Yes.

At 6:27 p.m., Tom King made a motion to come out of Non-Public Session. Seconded by Bob McGrath. Roll Call: Epperson – Yes, McGrath – Yes, King - Yes.

6:30 p.m. RECONVENE PUBLIC MEETING

III. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair King reconvened the public meeting at 6:34 p.m.

IV. ANNOUNCEMENTS

- A. The Town Offices and Transfer Station will be closed Thursday, November 23rd & Friday, November 24th for the Thanksgiving holiday. The Transfer Station will be open regular hours Saturday, November 25th.
- B. A request was received by the Select Board, and was granted, in order to fly an honor and remember flag, which signifies Gold Star Families whose immediate family member has died in the line of duty. Nancy Marston asked that a flag be flown in honor of her son, Navy Seal Blake Marston, who died in 2015. A flag was flown at the cemetery on Veteran's Day in his honor, which will be presented back to his mother. This is something the Select Board anticipates doing in the future for other Gold Star Families in the community.
- C. The Town Holiday Parade is being held on Sunday, December 2nd, at 1:00 p.m.
- D. The Rye400 Committee has raised approximately \$33,000 for the Rye Elementary School playground through an auction and a presentation given this past summer. The funds have been donated to the school.

V. PUBLIC COMMENT – (at the beginning of the meeting, for any comment by any Rye resident on any topic. Requested time limit, up to 5 minutes each person.)

Joe Cummins, 990 Washington Road, spoke about his concerns regarding public comments not being allowed during the Budget Committee's meetings when going through the Town's budgeting process.

Chair King noted for public record that the Select Board allowed public comment on one of the issues at the Board's all day budget work session.

Steven Borne, on behalf of Rye Civic League, noted that the Civic League is holding its annual meeting on Thursday, November 16th, 6:30 p.m., at the Rye Public Library. The presentation will be about drinking water in Rye. Danna Truslow will be at the meeting to discuss hydrology and there will be an overview of the town's water system. Everyone is invited to attend.

Steven Borne, 431 Wallis Road, speaking as a resident, agreed with the comments from Mr. Cummins about the budgeting process. If the Town wants the public to be involved, the process needs to be changed. He pointed out that the Capital Improvements Plan (CIP) has not been posted on the Town's website. He is not sure why a public hearing is being held on the plan, as there hasn't been time for anyone to review the document in order to make comment. In regards to the Founders Monument, he doesn't have a problem with honoring people, but he doesn't like the way it was presented and finds it unacceptable.

Phil Winslow, 100 Harbor Road, commented that he is glad to see that the tax rate setting is now being done in a Select Board meeting.

VI. AGENDA ITEMS

A. PUBLIC HEARING – CAPITAL IMPROVEMENTS PLAN 2024-2029 **The purpose of the Hearing is to consider accepting the Capital Improvements Plan (CIP) 2024-2029.**

Matt Curtin, Capital Improvements Program Committee Vice-Chair, along with other members of the CIP Committee, met with the Select Board to present the Capital Improvements Plan 2024-2029. The CIP Committee is an advisory committee and meets every year, pursuant to RSA 674:5. The Committee's charge is to prepare a comprehensive summary of the recommended municipal capital improvements over the period of at least six years.

The Select Board confirmed that they have received and reviewed the CIP. The 2024-2029 plan may be viewed on the Town's website.

At 6:58 p.m., Chair King opened to the public for comments.

Hugh Lee, 220 Pioneer Road, commended the CIP Committee for their work and the various department heads for their CIP requests. He spoke about the Conservation Commission CIP project request for the conservation property on Pioneer Road. He does not feel it's appropriate for this item to be included in the CIP, as it was told to him that no decisions have yet been made to move forward on the project. He asked that the Select Board accept the CIP with the deletion of that Conservation Commission proposal.

Joe Cummins, 990 Washington Road, asked how the CIP submittals flow into the tax rate.

Chair King explained that the CIP Committee is a subcommittee of the Select Board. The CIP is a planning tool that the Select Board asks the CIP Committee to provide. The Committee gathers data from all town departments, boards, and commissions for capital projects for this time period. The information is provided to the Select Board, so the Board can choose how to use it. It is not used directly for the tax rate.

Town Administrator Matt Scruton explained that CIP is a nonbinding, advisory document that helps plan the capital needs for the future, so the Town can budget accordingly to avoid spikes in the tax rate.

Jeff Ross, CIP Committee Member, further explained that the other step in the process for any project in the CIP is that the capital expenditure for the project would have to appear as warrant article for the town voters to vote up or down, before any money can be spent. There would be no expenditure without a warrant article and the town vote.

Howard Kalet, 90 Colbourn Road, clarified that any items, if they do progress, become a warrant article. If they're big items, like the Water District project, it's at that time that bonds will be considered to smooth out the tax rate.

Chair King confirmed that any item in the CIP has to go through the normal funding process. He reiterated that it's a planning tool. Every item has to go from the department head to the Select Board and to the Budget Committee. Some items will require warrant articles. Some items will be in capital outlay, which does not require a warrant article other than the budget. If it's a bond, the warrant article will require supermajority. There are different thresholds for the type of funding; however, all items have to go through the approval and funding process. He pointed out that just because it's in the CIP does not mean it will happen. Not everything in the CIP will get funded.

Steven Borne, 431 Wallis Road, commented that the information in the CIP is getting better and more informative. He would like to see this continue. He requested the information on the \$1.4 million fuel system. With regard to the water treatment plant, he would like to see that get moved up. There needs to be a decision this spring on whether to take the bond, so it doesn't seem to work within the CIP timeframe. He continued that in less than a decade, the Rye Junior High building is going to be one hundred years old. The roof leaks and there are heating problems, and other issues with the building. He thinks there needs to be discussions about the schools. The costs to maintain the buildings, along with the cost of supplies and technology, are increasing. He noted that the CIP plays into what people can afford to pay for a mortgage payment. The conversation should be what can people afford. The projects need to be reviewed and a decision has to be made on how they can be leveled out to get them done. The Town should have been spending a decade ago on things because the town's debt was going down. When the CIP comes out, the Town should figure out what can be afforded for a tax burden, and how to layout the project in a plan. That's the piece that is missing in this whole process.

Chair King noted that the CIP is a planning tool. It will not play directly into the tax rate setting at this meeting. It will be available for the Budget Committee when they have their all-day budget session, which can be used to see how the projects will play out.

Phil Winslow, 100 Harbor Road, thanked the members of the CIP Committee for their hard work; Kevin Brandon, Matt Curtin, Mae Bradshaw, Tom King, Jeff Ross, and Nicole L'Ecuyer. In regards to the Harbor Road bridge project, Mr. Winslow noted that there are twenty-four homes and approximately sixty-five people who rely upon that bridge for access to their homes. The assessed value of those properties is \$57,000,000. The payment of taxes for those twenty-four homes is \$425,000 a year, which is 4.25 million. The cost of the bridge, as presented for this year, is \$737,000 which is about 17% of the taxes paid over that ten-year period. The remaining portion pays for services. It's a substantive commitment on the part of the homeowners in that area to pay their taxes, but also a commitment on the Town to allow access for those people to their homes. He appreciates the commitment very much.

Mr. Cummins asked about the recreation building proposal for the Recreation Department.

Chair King noted that the Recreation Director presented to the Select Board recently that they just finished getting a Recreation Master Plan update. There are plans to redesign the recreation area, which includes the fields and buildings. Currently, they are asking for \$75,000 for engineering and design of the recreation area. The Select Board asked the Recreation Director to provide more information.

At 7:32 p.m., Chair King closed the public hearing.

Motion by Bill Epperson to accept the 2024-2029 Capital Improvements Plan with the appropriate administrative edits. Seconded by Bob McGrath. All in favor.

B. 2023 Tax Rate Setting

Finance Director Becky Bergeron reviewed the tax rate information for the Select Board.

2022 Tax Rates:

- 2.07 – Municipal
- .67 – County
- 3.20 – Local School
- 1.04 – State School
- 6.98 – Town Tax Rate (without precincts)

- .12 – Jenness Beach Precinct
- .29 – Rye Beach Precinct
- .41 – Rye Water District

Finance Director Bergeron reviewed the preliminary tax rates as follows:

- 2.82 – Municipal

.70 – County
3.66 – Local School
1.41 – State School
8.59 – Preliminary Town Tax Rate

Director Bergeron noted that this is a 23% increase from 2022 and the Town's current fund balance is \$4,624,061. She also noted that other communities in Rockingham County are seeing similar increases. DRA recommends that towns maintain between 5% to 17% for a fund balance. Last year, the Town retained 11.46% for a fund balance. Traditionally, the Town retains approximately 8.5% for fund balance, which equates to about 2.2 million.

Vice-Chair Epperson commented that his tenure on the Select Board has now lasted through four budget seasons. Three of those seasons were particularly troublesome because of Covid, inflation, and other issues. In 2021, the Select Board endeavored to keep the tax rate level, knowing that at some point in time, the Town was going to run out of bandwidth to do that again. Last year, there was a 3% increase and this year's increase of 23% is not totally unexpected, but he believes there is some room in the fund balance to lower that some.

Selectman McGrath stated that he thinks there was a lot of money given out because of Covid and now people have run out of that money. The inflation now is probably as high as it's been and the economy is getting a bit shaky. The fund balance is the taxpayers' money. He wants to be sure the Select Board gives as much relief as they can without putting the Town in a predicament that would jeopardize what can be done moving forward.

Chair King commented that the last few years, the Select Board had a goal of keeping the tax rate flat during Covid and allowing it to increase a bit last year, so there wouldn't be much of an increase. Going from a flat rate to an increase of 3% and now to 23% is a lot. There are a lot of things coming up for projects that didn't get done during Covid and everyone is now paying for that, both personally and on the town side. He pointed out that New Castle and Newmarket have increased about 10%. If Rye chooses to have a 10% increase in its tax rate, the tax rate would need to be \$7.68 instead of \$8.59. This would mean that \$2,969,451 would need to be used from the unassigned fund balance. This would leave \$1,654,610 as a fund balance.

Finance Director Bergeron summarized this would leave 5.19% retained and brings the tax rate to \$7.68.

Chair King pointed out that the Town would have 1.6 million in the unassigned fund balance; however, there is also 2.5 million in capital reserves and expendable trust funds, along with insurances. He continued that in 2017, the Town was at 5% retained and since then the percentage has increased. He pointed out this is the minimum, but he could do something close to this knowing the Town has other savings.

Selectman McGrath suggested going back to 2019 and matching that fund balance, which is pre-Covid and is slightly more than what was just proposed.

Finance Director Bergeron pointed out that the capital reserves and expendable trusts are restricted funds. If the Town has an emergency, and it doesn't meet the purpose of the fund, it cannot be expended for that purpose. As part of the overall financial picture, it cannot be viewed the same as the unassigned fund balance.

Chair King agreed. He commented that the purpose is for emergencies and the Town has insurance. The amount of 1.6 million is not insignificant, given there is money in all the other accounts. Maybe it can't be used for the emergency, but the Town can still fund the programs that the funds were intended to cover. He pointed out that in an emergency situation, a special town meeting would need to be called in order to get a vote to expend the money from the unassigned fund balance, whether it's 5% or 17%. He commented that a 23% increase in the tax rate is too high.

Finance Director Bergeron noted that the other use of the unassigned fund balance would be to fund warrant articles. They require a town vote and town approval, but it's a different way to fund projects and get deferred maintenance done without current tax impact. She understands that 23% is a big hit; however, there are some other uses that the Select Board should consider for the unassigned fund balance.

Selectman McGrath commented that it would be better to bond those projects and pay 3% and get 5.35% in CDs.

Finance Director Bergeron agreed that bonding is great; however, it requires a supermajority and that hasn't always gone well.

Phil Winslow, 100 Harbor Road, commented that he agrees with Chair King and feels holding to as close to 10% or less is the way to go. He thinks the Town has enough of a cushion.

Finance Director Bergeron noted that this would reduce the options for taking projects out of the unassigned fund balance.

Chair King explained that last year, the Select Board asked for a warrant article for \$10,000 to set up a contingency fund, which came from the unassigned fund balance so there would be no tax impact. He pointed out that these funds were already spent on an unfunded mandate from the State for landfill monitoring, which was exactly why that fund was set up. He also pointed out that the Select Board would probably ask for that again this year, which would come from the unassigned fund balance.

Steven Borne, 431 Wallis Road, suggested that this information be put on a spreadsheet and presented on a screen for everyone to see. He continued that the unassigned fund balance increased 1.5 million from last November. This money was budgeted and not spent. He would suggest to split the money in half; use half to buy down the tax rate and the other half for projects.

Vice-Chair Epperson stated that he doesn't realistically think they can leave 5% because it would leave the Town exposed.

The Select Board reviewed and considered several tax rate scenarios. There was discussion about the possibility of presenting warrant articles to fund the Harbor Road bridge and the Perkins Road culvert out of the unassigned fund balance. There was some discussion about the fuel island at Public Works. It was agreed that the fuel island project should be a separate project and should not be funded from the unassigned fund balance. After a lengthy discussion and consideration, the Select Board agreed to use \$1,827,336 from the unassigned fund balance to offset the tax rate for a 15% increase.

2023 Tax Rates:

2.26 – Municipal
.70 – County
3.66 – Local School
1.41 – State School
8.03 – Town Tax Rate (without precincts)

.15 – Jenness Beach Precinct
.29 – Rye Beach Precinct
.54 – Rye Water District

Motion by Tom King to use \$1,827,336 of the unassigned fund balance to set a tax rate of \$8.03 for a mill rate for the Town. Seconded by Bill Epperson. Vote: 3-0

C. TAP Grant

Town Administrator Matt Scruton gave an update to the Select Board on the status of the TAP Grant project. Three engineering firms were interviewed through the qualification-based selection process, as outlined in the LPA process. Through that process, BETA Group was selected as the Town of Rye's number one choice from the pool of engineering firms that were interested in the design element of the TAP Grant project for Washington Road. The firm will be developing and negotiating with the Town the scope and fees for the preliminary engineering phase; which will include an engineering study, preliminary design, final design, and bid phase for services.

The Select Board thanked the TAP Grant Committee for their hard work; John Loftus, Victor Azzi, and Lydia Tilsley.

D. ABATEMENT

The Assessor recommends approval of the following BTLA appeal settlement:

1. Alan J. Smith Revocable Trust, 47 Pine Street, map/lot 081-074
Current: \$970,400 Proposed: \$946,800 Abatement: \$167.56 + interest

Motion by Bill Epperson to approve the abatement for property located at 47 Pine Street, tax map/lot 081-074 for the year 2022 for that amount of \$167.56 plus interest. Seconded by Bob McGrath. All in favor.

E. Select Board's Meeting Schedule 2024

The Select Board reviewed the Select Board's meeting schedule for 2024. The meeting scheduled for October 28, 2024 was moved to October 29th.

Motion by Tom King to approve the Select Board's meeting schedule for 2024 as amended. Seconded by Bill Epperson. All in favor.

F. Holiday Schedule 2024 – Policy Directive

The Select Board reviewed the holiday schedule for 2024. No changes were made to the schedule.

Motion by Bill Epperson to approve the holiday schedule for 2024 as written. Seconded by Bob McGrath. All in favor.

G. Telecommunications Infrastructure Committee Charge – Update to a term ending 3/31/2026

Howard Kalet, Telecommunications Infrastructure Committee Chair, met with the Select Board to review the Committee's charge. There were no issues or concerns with the charge as it was drafted and presented to the Board.

Motion by Bob McGrath to approve the Rye Telecommunications Infrastructure Committee Charge for a term ending March 31, 2026. Seconded by Bill Epperson. All in favor.

Mr. Kalet reported that Telecommunications Consultant, David Maxam, has proposed a study to update the telecommunications map of the Town. The cost of that update would be \$1,500. Mr. Kalet asked if the funding would be available for this year, in order to not have to wait until March of 2024.

The Select Board agreed to have Finance Director Bergeron look for funds from this year's budget to cover that expense. It was clarified that if the cost is not all spent in 2023, the Committee would need a signed contract in order to encumber the funds by the end of the year.

Mr. Kalet submitted maps to the Select Board showing telecommunication service throughout the Town, existing cell locations, and possible future locations. Referring to the 511 Sagamore location, Mr. Kalet noted that Verizon has expressed interest in that location. The location has

already been set aside as a telecommunications location in the town. This property is owned by SAU 50 and it's not certain if they would support this proposal. Mr. Kalet pointed out that the property includes the soccer field by the Elementary School and the area behind it is wetland.

It was agreed that it's important to have the new maps so there is understand of what the new 5G technology will do to the coverage.

Mr. Kalet noted that there are towers proposed in North Hampton and Hampton. It's his understanding that the least opposition is for the tower in North Hampton. The tower in North Hampton will provide a lot of coverage in that area for Rye and it will come close to the Rye Water tower at Breakfast Hill. The tower's location will still leave a gap in the Breakfast Hill area; however, this will also be part of the study.

- H. **Raffle Request** – St. Theresa's Men's Club requests an annual approval for small raffles held monthly throughout the year to benefit the parish.

**Motion by Tom King to approve the annual St. Theresa's Men's Club raffle request.
Seconded by Bill Epperson. All in favor.**

VII. CORRESPONDENCE

None

VIII. NEW BUSINESS

None

IX. OLD BUSINESS

A. Tom Pearson & Roger Philbrick – Founders Monument

Tom Pearson and **Roger Philbrick** met with the Select Board to discuss the proposal for a Founders Monument, which is being gifted by Mr. Pearson.

Selectman McGrath stated that he spoke with Alex Herlihy about the project. His original thought was that this would be a standalone monument dedicated to the founding families' names with the ability to add additional family names. Mr. Herlihy was in support of it being an individual monument. Selectman McGrath continued that he also met with Mr. Pearson and Mr. Philbrick and suggested simple wording on the rear of the monument.

The Select Board reviewed the proposed wording and design for the monument. They also reviewed photos showing the proposed location.

Selectman McGrath noted that the materials have been approved by the Historic District Commission (HDC). The Select Board needs to approve accepting this as a gift. One of the

issues is if the entire monument is considered a sign in the Historic District, the square footage may need a variance. However, if the monument is the Town's, a variance would not apply.

It was confirmed that the proposal has been reviewed by the Heritage Commission. The Commission didn't have an issue with the concept itself.

Vice-Chair Epperson asked about the wording referring to the Indigenous People, which has been removed.

Selectman McGrath noted that Alex Herlihy felt that should be a separate monument, which seems to be appropriate.

Kaitlyn Coffey, HDC Chair, noted that the Historic District Commission had to table the discussion on the Founders Monument due to size, as it is double the size of the parameters for the Town. The Commission was also not in agreement on the location. It was decided to not move forward with an approval, until the monument was approved by the Select Board. She clarified that if the Town accepts the monument as a gift, the Town can submit an application to the HDC for approval on the materials and location.

Chair King commented that one of the big issues was the way Indigenous People were handled in this process. He thinks its best if they are not mentioned on this monument and it be kept to the founding families. He likes the idea of creating something akin to a heritage park and he proposed that they consider establishing one. HDC has suggested the Town Green for the location of the Founder's Monument.

There was some discussion about where a heritage park could be established, which would be a "home" for the Town's monuments and the gazebo. The Select Board agreed that more discussion on location is needed at a future meeting with a possible site walk. After discussion, the Select Board confirmed that they will accept the monument as a gift. A formal vote to accept the gift cannot be taken until there is a dollar value, as it may entail a public hearing. The Select Board agreed that Mr. Pearson could move forward with the manufacturing of the monument.

X. SELECTMEN'S 2024 BUDGET WORK SESSION

A. Capital Outlay

Fiber Connectivity	\$46,500
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The intent of the proposal for the capital expenditure is to have town owned dedicated fiber connecting all the municipal buildings. This will be done in two phases. The first phase is being proposed which would connect run fiber from the Public Safety Building to the Annex and fiber from the Public Safety Building to the Public Works compound. A representative from Rockport Technologies spoke to the Select Board about the benefits of the Town having its own fiber network.

Motion by Bill Epperson to recommend \$46,500 for Phase I Fiber Connectivity from the Public Safety to Town Hall Annex and Public Works. Seconded by Bob McGrath.

Vote: 3-0

Parson's Creek Monitoring \$54,797

The Select Board held previous work sessions to review the proposal from FB Environmental for continued monitoring of Parson's Creek. The Selectmen agreed that they had enough information to move forward with a vote on the proposed capital expenditure.

Motion by Bob McGrath to recommend \$54,797 for FB Environmental for the study of Parson's Creek for 2024. Seconded by Bill Epperson. Vote: 3-0

XI. OTHER BUSINESS

None

ADJOURNMENT

Motion by Tom King to adjourn at 10:17 p.m. Seconded by Bob McGrath. All in favor.

Respectfully Submitted,
Dyana F Ledger