

**Kingston, New Hampshire  
Board of Selectmen  
January 26, 2020 Special Meeting: Budget, Selectmen, Building Committee  
FINAL MINUTES**

The meeting was called to order at 2:00 PM in the Meeting Room at the Town Hall.

**PRESENT:** Mark Heitz, Chair; Kevin St. James, Vice Chair; Donald Briggs, Jr., Phillip Coombs, Richard Wilson, Selectmen; Budget Committee Members: Mary Fidler, Annemarie Roth, Rick Russman, Chuck Hart, Gary Finerty, Ray Donald and Sean Murray.

Chairman Heitz opened by stating the purpose of this meeting; he said that during their review of the Warrant, the NH Department of Revenue Administration found that Articles 7, 8 and 9 were problematic. Finance Director Cindy Kenerson explained that these articles, pertaining to funding for the proposed Fire Station project, were likely to be disallowed by the DRA if they were voted in. She said that Article 7 would open the Infrastructure fund and that entire fund would be transferred to the general fund. Articles 8 and 9 are to spend a portion of those funds on the Fire Station project and then open a new Infrastructure fund with the balance. However, she said that as the money to expend would need to come from 2019 unexpended fund balance, it would not be available to act on Articles 8 and 9. Chairman Heitz said that it is the recommendation of the DRA and the town's attorney to pull these articles off the warrant.

Resident Ellen Faulconer said that RSA 35:12 gives the Town until December 15 of each year to transfer funds. Ms. Kenerson said that the money could not be spent until the following year. Ms. Faulconer then said that by law, the recommendations of the Budget Committee have to appear on the Warrant.

There was some discussion of how to work around the problems, and the fact that the warrant, with or without the articles, needs to be posted by January 27 (tomorrow) before the Town Clerk's office closes.

Moderator Electra Alessio was present, and said that she thought it should go forward as it is, as it was the intent of the voters after the public hearing ("Decision Day"). She said that there won't be a bond payment due until 2021, and in the meantime there is enough money to begin going forward. Chairman Heitz said that the DRA is telling the town that it won't approve the articles. He said that, as an alternative, it is within the Board's purview to use the interest from the fund after holding a Public Hearing.

Building Committee member Rich St. Hilaire said that his worry is that if the articles are taken out, it will be difficult to inform the voters about the intent to put interest money toward the building bond.

Selectman Wilson said that if he voted to remove the articles, he would also make a motion to put \$1.4 million available from the Infrastructure Fund in interest toward reducing the Fire Station bond.

Discussion continued on how the voters would perceive the change, how to reduce confusion, and whether the articles have to be removed now or can be removed at Deliberative Session, after time is taken to look into options. The ability to change wording at Deliberative Session was also discussed.

**MOTION:** by Selectman St. James, to leave articles 7, 8 and 9 in the Warrant as they are.

**SECOND:** by Selectman Wilson

During further discussion, Selectman St. James asked Ms. Alessio if the articles could be removed during Deliberative Session, and she said she would contact the Secretary of State's office to ask this question. Selectman Briggs said that the articles are already confusing, and adding more language might make it worse. Chairman Heitz noted that all have to pass, or none will.

Selectman Coombs said he was in favor of removing the articles, as he had not been in favor of adding them in the first place. Selectman Wilson said that he could vote either way, but if they are removed, he will ask to use interest from the fund to offset the cost of the Fire Station. Chairman Heitz said he would like them removed; he said he is opposed because the current return on the investment, even taken as an average of 7% rather than the high interest received recently, is worth more than reducing the amount of a 2.4% interest bond. He said the fund would grow more by next year, and it will be possible to use interest to keep the expense of the bond from hitting the tax rate.

Trustee of the Trust Fund Brad Maxwell said that the state mandates a definition of principal; this began a discussion of how much could be spent. Chairman Heitz said he thought that anything down to the 4 million put back into the fund in 2011 would be considered interest or earnings. He thought this stood at roughly \$1.4 million. Mr. Maxwell had stated at an earlier meeting that this figure was at \$293,000. Fire Chief Graham Pellerin questioned that the Board is still unsure if there is \$1.4 million available to spend or not. Research will be done to be sure of what is available.

**Vote on Motion:**

**In favor:** Briggs, Wilson, Coombs, St. James

**Opposed:** Heitz

**Motion passed.**

Meeting adjourned at 3:30 PM. The Selectmen and Budget members remained to sign the warrant once it was generated.

Respectfully submitted,  
Susan Ayer  
Administrative Assistant