

## Draft Minutes

### **Budget Recommendation Committee**

**November 13, 2013**

#### **Call Meeting to Order**

Chairman Corey Stevens called the meeting to order at 6 pm in the Nowak Room of the Exeter Town Offices building. Other members present were Vice Chairman Harry Thayer, Don Woodward, Bill Campbell, Francine Hall, Rob Corson, Anne Surman, Bob Kelly, Nikki Graney, Phil Johnson, Nancy Belanger, Nelson Lourenco, Robert Wentworth, Selectwoman Julie Gilman, BOS Chair Don Clement, BOS Vice Chair Dan Chartrand, Selectman Frank Ferraro, Town Manager Russ Dean, Doreen Ravell, Finance Director, and Jennifer Perry, DPW Director. Allan Corey was absent.

#### **Economic Development Director position**

Chairman Stevens talked about the new line in the budget for the Economic Development Director position. Mr. Dean said the Board of Selectmen have had many meetings regarding goals for the year. They narrowed down their goals to a few, one of which being discussions about the new Economic Development Director position. He said there has been a lot happening in the economic development area for the town but there are no resources. In July, the BOS talked about what the position should entail. He talked about the job description, which evolved into a finalized version. There was discussion about whether the position should be full-time or part-time and what the salary should be. There have been ongoing discussions with the Economic Development Commission. The BOS finalized the position details and asked Mr. Dean to put it in the budget for FY14.

Mr. Dean went on to talk about why this position is important. The town needs a person to interface with land owners and developers. The position will give a “how to” approach instead of just giving a regulatory review from the town planner. There was discussion about the Chamber of Commerce and how it is a membership driven organization that is not geared specifically toward the start to finish process for developers. Mr. Dean gave specific examples of situations where this position would be helpful.

Mr. Clement said one major objective of the Board was to reduce the total tax burden by shifting residential tax base to commercial tax base. One method to do this is to bring someone in full-time to focus on this.

Chairman Stevens asked if other towns have this position. Mr. Dean said Portsmouth, Dover, and Rochester, all have this position.

Mr. Chartrand spoke from an EDC perspective, saying two things they have focused on is pushing to get 79-E on the ballot and pushing for this position. He said Exeter is not all developed and there is a lot of room for developing more commercial real estate tax base.

Vice Chair Thayer asked how much commercial development this new position would have to generate to pay their salary. Mr. Campbell said the position will pay approx. \$114,000/year which includes benefits. The new position would have to develop roughly \$14 million in commercial development to pay for that salary. He said he does not think this position will produce right away. He thinks a consultant of a part-time employee might be a good idea. He thinks if the town has extra money they should put it towards downtown rather than hiring a new employee.

Vice Chair Thayer asked if the new position would be going on a town warrant. Mr. Dean said the position is part of the proposed budget, adding there have been new positions for the past several years that were not put on a warrant but were part of the budget including the assistant engineer, police detective, etc..

Mr. Corson said he looked at towns that are similar in size to Exeter that do not have an Economic Development Director. He said the town planner does a lot of the work in those towns. He said the town planner is supposed to be the person that does a lot of what the new position would be doing. He would like to see this happen before deciding to hire a new person. Mr. Dean asked not to misinterpret what the town planner's role is in Exeter. He said there is a core difference between the new position being proposed and the town planner's role with the town.

Mr. Dean said there was a recent issue on Epping Road and that "firm" decided they would go elsewhere. He said these are the kind of issues the new position would deal with. He said the town needs resources to be able to tend to these issues.

Mr. Clement said they are trying to be proactive and this position could allow them to be proactive.

Ms. Surman said she supports the Chamber of Commerce and said it is in their best interest to get new businesses to come to Exeter.

Mr. Wentworth said the town needs a proactive strong position to go to big companies. He thinks the Committee should be thinking strongly that this position is a good idea.

Mr. Chartrand said the town is in danger of being left behind in a time when the surroundings are starting to grow. The town has to focus on revenue and growing the commercial real estate tax base.

Mr. Ferraro thinks they need to be going out and getting tenants for land and be proactive. This is not a position that would attend conferences but be knocking on doors, recruiting new businesses to come to Exeter.

Ms. Hall asked how long it will take for the new position to lower the tax rate. Mr. Campbell said it will come eventually but will take a while to get going. Ms. Gilman said TIF and 79-E are also long-term and will not have effects immediately, similar to the new position.

Chairman Stevens suggested waiting a week and sitting on all this information. He said they will talk more about the position next week vote next week at the 11/19 meeting.

### **Water**

Jennifer Perry talked about water/sewer. She said the budgets are funded through revenues raised by water/sewer bills. In 2014 the water budget is \$2,486,789 which is up \$184,000 from 2013 and caused mostly by wages & salaries and debt service. She talked about a 2.5% increase due to an increase in water meters and capital outlay for vehicles. She talked about the Hampton tank rehabilitation. She said they are approaching it differently; by proposing an asset management approach rather than the traditional engineering and bidding out. She talked about the continuing rehab of the water lines.

Mr. Kelly thanked Ms. Perry for her presentation. He went over all the lines on his subcommittee report. He said his subcommittee did not address everything in the budget, just things people would want to hear. He said there has been a lot of consulting in the past few years so he wants to keep some money in the budget for that. He talked about a part-time billing clerk moving to full-time and budgeting for that. He questioned an increase on phone utilization and Ms. Ravell said it is because there is a new phone system. Mr. Kelly said they would then keep the budget at \$3300. There was a discussion about mobile communications.

A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the Water Fund Administration budget request of \$364,211. Motion carried – all in favor.

Mr. Kelly moved on to Billing. He said they would move his subcommittee phone utilization request up to \$3300. A Motion was made by Mr. Kelly and seconded by Vice Chair Thayer to approve the Water Fund Billing budget request of \$118,699. Motion carried – all in favor.

Mr. Kelly moved on to Distribution. He recommended changing line 622-4370 from \$25,000 to \$20,000. Vice Chair Thayer asked what the status is on the water meter replacements. Ms. Perry said they are 90% complete.

A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the Water Fund Distribution budget request of \$535,364. Motion carried – all in favor.

Mr. Kelly moved on to Treatment. He said line 0623-5200 would be cleared out, leaving a \$1 balance in that line. A Motion was made by Mr. Kelly and seconded by Mr. Corson to approve the Water Fund Treatment budget request of \$737,093. Motion carried – all in favor.

Next, Mr. Kelly talked about Debt Service. It was recommended that money be taken out of reserves to pay for this year's component for line 0625-8xxx Portsmouth Ave and Waste Stream Reduction. A Motion was made by Vice Chair Thayer and seconded by Mr. Campbell to reduce line 0625-8xxx to \$1. Motion carried – all in favor. A Motion was made by Vice Chair Thayer and seconded by Ms. Surman to reduce line 0626-8xxx to \$1. Motion carried – all in favor. A Motion was made by Mr. Kelly and seconded by Ms. Surman to approve the new Water Fund Debt Service budget request of \$489,579. Motion carried – all in favor.

Mr. Kelly next talked about Capital Outlay. He said the backhoe is on its last leg and they need a new one. They looked into fixing it and found it would cost almost as much as getting a new one. The dealer hardened up the numbers and they are getting a good trade-in. There is also a request for a new truck. He talked about paying for these items out of reserves. There was a discussion about where to put Maintenance (line 0627-7425). Mr. Kelly recommended creating a CIP item for the Hampton Road tank and pay for out of reserves. This would be line item 0627-7xxx \$102,448.

Mr. Ferraro suggested changing the debt service amounts and capital outlay amounts back to their original requests. A Motion was made by Mr. Kelly and seconded by Mr. Lourenco to approve the Water Fund Debt Service budget request in the amount of \$549,263. Motion carried – all in favor. A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the revised amount for of \$57,221 for line 0627-7420. Motion carried – all in favor. A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the requested \$102,448 for the Hampton Road tank. Motion carried – all in favor. A Motion was made by Mr. Kelly and seconded by Vice Chair Thayer to approve the new Water Fund Capital Outlay budget request of \$237,669. Motion carried – all in favor. A Motion was made by Mr. Kelly and seconded by Vice Chair Thayer for the total subcommittee recommendations for reserves to go to the Selectmen to be \$297,347. Motion carried – unanimous.

A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the total Water Fund budget request of \$2,542,298. Motion carried – all in favor.

### **Sewer**

Ms. Perry said the sewer budget is up \$59,300 from 2013 which is a 2.5% increase. A significant amount of this increase is from salary and wages and debt service. She talked about increases that will be seen through the budget, including manhole maintenance and the design of the Wastewater Treatment Plant.

A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the Sewer Fund Administration budget request of \$364,653. Motion carried – all in favor.

A Motion was made by Mr. Woodward and seconded by Mr. Corson to approve the Sewer Fund Billing budget request of \$118,699. Motion carried – all in favor.

Mr. Kelly talked about Collection. There was discussion about bumping up manhole maintenance from \$30,000 to \$60,000. A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the Sewer Fund Collection budget request of \$544,378. Motion carried – all in favor.

Next, Mr. Kelly talked about Treatment. He suggested taking \$5000 out of line 633-4364, noting the new EPA regs only requires this every other year. A Motion was made by Ms. Surman and seconded by Vice Chair Thayer to approve the new Sewer Fund Treatment budget request of \$452,442. Motion carried – all in favor.

Mr. Kelly talked about retiring two debt issues which was suggested by Mr. Dean because there are some big projects coming up. So lines 635-8212, 635-8214, 635-8252, and 635-8254 would be retired. The Water/Sewer Advisory Committee supports this idea.

A Motion was made by Mr. Kelly and seconded by Mr. Corson to approve the Sewer Fund Debt Service amount of \$729,706, with the added recommendation that the Board of Selectmen approve the removal of money from the Sewer Fund reserves to retire lines 635-8212, 635-8214, 635-8252, and 635-8254. Motion carried – unanimous.

A Motion was made by Mr. Kelly and seconded by Mr. Woodward to approve the new Sewer Fund Capital Outlay budget of \$206,670 with the added recommendation that the Board of Selectmen remove money to offset the capital outlay vehicles. Motion carried – all in favor.

A Motion was made by Mr. Kelly and seconded by Mr. Campbell to approve the new Sewer Fund budget request of \$2,416,547. Motion carried – all in favor.

A Motion was made by Ms. Surman and seconded by Mr. Campbell to adjourn the meeting at 8:45pm. Motion carried – all in favor.

Respectfully submitted,

Nicole McCormack  
Recording Secretary

