

Draft Minutes

Exeter Budget Recommendation Committee

November 24, 2015

Call Meeting to Order

Chairman Corey Stevens called the meeting to order at 6:37 pm in the Nowak Room of the Exeter Town Offices building. Other members present were Peter Lennon, Vice Chair Bill Campbell, Bob Kelly, Don Woodward, Stephanie Canty, Anthony Zwaan, Frank Ferraro, John Gilbert, and Allan Corey. Also present were Laura Hill from Finance Department, Selectwoman Julie Gilman, Selectman Dan Chartrand, Jennifer Perry, and Russell Dean.

Chair Stevens announced that this was the BRC's final meeting of the season. He said they will be wrapping up miscellaneous items that were left open including CIP items, a couple budgets, minutes, and a general discussion about the BRC's meetings this season. He said they were going to first jump into the finance software discussion.

Mr. Dean said Doreen Ravell spoke to another vendor at a conference she was at last week. He told the Committee that they have been handed a couple quotes; one from Munis and one from Blum Shapiro. He said these quotes are not consistent. They are wide ranging and this is part of the issue. Mr. Dean read a memo from Ms. Ravell about the quotes. Included in the memo is something from the town's auditors saying they hope Exeter will convert to Munis. Chair Stevens asked if there was enough detail in the two quotes for a comparison. Mr. Dean said he didn't think so. He thought the companies were just asked to give a basic summary. Mr. Gilbert asked if Ms. Ravell found out if Blum Shapiro has done any installations in NH. Mr. Dean said no, and that their first will be Goffstown. Mr. Kelly asked if they are limiting themselves by saying they want a NH firm. Mr. Dean said he thinks a NH firm will be more aware within their systems to meet Exeter's requirements. He said the closer the better. Mr. Kelly asked if there are other companies in NH that they have not reached out to yet. Mr. Dean said there are, but it is not a big pool. He said there are only a couple of them. Mr. Kelly said he just feels uncomfortable asking for \$250,000 when there may be something out there for less that would work well. Mr. Dean said one thing they do need is water/sewer billing software. He said that is not something you will see in every community. Mr. Lennon said he shares Mr. Kelly's hesitations. He said this seems like one of those things that each time they get into a conversation it gets more unsettled. He is not persuaded that a municipal software firm in another part of the country may not be just as qualified as a NH firm. He thought it was premature to approve this without looking out there for more bidders. Mr. Dean said they are dealing now with periods of less productivity because of an experience the Deputy Tax Collector had today of not being able to enter some required numbers. He said they don't intend on closing the door. People can reply to the RFP. He said they just need to

drill the companies to make sure they have the requirements that Exeter needs. Mr. Ferraro said it seems like the homework wasn't fully done here to spend \$250,000. He said it seems more should have been done before even getting to this Committee. He said there is not enough information here for him to go forward on any number. Mr. Dean said the Finance Office got three quotes. He said they went fairly far in terms of that process. Mr. Dean added that plus, Exeter's auditor's words mean a lot here as well. Mr. Ferraro said that Finance spent all their time and effort on Munis rather than coming up with a good budget number to get out to bid. Mr. Gilbert said the Finance Department is in the best position to know to landscape of this. He said from a practical perspective, he is starting to worry about timing. Mr. Dean said they can only go as fast as they can go. He said they would have to take proposals back and do an evaluation of these. He said realistically that brings them to September/October before making a decision. Chair Stevens asked if there is a contract with Munismart saying they will perform until a certain date or are they out of a contract with them. Mr. Dean said they just have a basic maintenance agreement with them that lays out what they are to do. Vice Chair Campbell asked if they do not approve this, how long can they go with Munismart and not be really hurt financially. Mr. Corey stated that there are a lot of other vendors out there. He said he thinks they've boxed themselves in here. He doesn't want to spend \$250,000 when less money could buy a sufficient program. Mr. Ferraro said this has been coming for some time. He said the taxpayer is going to take the hit for the lack of due diligence. He thinks the only real answer is waiting a year. Mr. Kelly said he doesn't advocate delaying a year, but he does advocate coming up with a lower number by continuing due diligence with Ms. Ravell and Ms. Hill. Mr. Gilbert said he was also concerned with waiting a year.

Motion: A Motion was made by Mr. Woodward and seconded by Mr. Gilbert that they put \$170,000 towards this and let Finance come up with more detail on what is actually wanted. Mr. Ferraro said this will go to the BOS, so they have more time. He said he was going to suggest putting just \$1 in here as a placeholder. However, he asked Mr. Woodward to amend his Motion to include language. **Amendment:** An amendment was made to the Motion by Mr. Woodward to include that the Finance Department get a lot more information between now and when this goes to the Selectmen. Mr. Gilbert amended his second. Mr. Zwaan said they are putting a fairly random number on this, and wondered if they are obliged to put a number on this. Mr. Kelly said the BRC does support this concept, and putting \$0 or \$1 on this might suggest they do not support it. Mr. Corey said he supports this and that it needs to be looked at a lot more closely. Mr. Ferraro and Mr. Lennon said they support this Motion as long as the homework here is done. Chair Stevens called the vote. Motion and Amendment pass unanimously.

Chair Stevens said they would next talk about the dam analysis CIP item.

Jennifer Perry, Public Works Director, gave an explanation for the cost increases in the dam breach analysis. She said the dam analysis included a letter of recognition for the Great Dam subsequent to its removal next year. The reason the cost went from \$35,000 to \$80,000 is because of the LOMAR work. She said it is a \$45,000 effort. UHB gave that estimate. The LOMAR analysis work has to wait until the dam is removed. She said there is no further need to

do upriver monitoring. She said they already have a hydraulic analysis that goes into the LOMAR. She said she is still waiting on permits, but is hoping to start dam removal in July 2016.

Mr. Kelly asked if the town is responsible for new mapping after the dam removal for FEMA purposes. Ms. Perry said whenever a change is made to a large structure that involves water elevation it is the responsibility of the owner to do mapping. Mr. Kelly asked if they have done any assessments with FEMA on lowered flood insurance to those in the flood plain. Ms. Perry said she is working through the community rating system. She said it is a FEMA program. Mr. Kelly asked Ms. Perry if she knew how many residents are affected by this. Ms. Perry said there are at least 60 parcels affected. She said there are about 9 or 10 parcels that are considered repeat flood loss parcels.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward that the BRC include \$35,000 in the budget for the breach analysis for the Pickpocket Dam and the Exeter Reservoir Dam. Mr. Ferraro said to be formal, they should eliminate the dam line item and then make a second Motion to put \$35,000 into another line item. Vice Chair Campbell and Mr. Woodward withdrew their Motion and second.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to remove line 09-50-9xxx Dam Analysis for \$80,000. Motion carried – all in favor.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to put \$35,000 in the budget for the Pickpocket Dam and Exeter Reservoir Dam breach analysis in line 06-02-4335 – Dam Maintenance. Motion carried – all in favor.

Ms. Hill said the new number for Highway and Streets is \$1,999,475.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to approve \$1,999,475 for total Highway and Streets. Motion carried – all in favor.

Ms. Hill said the new total for Public Works is \$4,796,950, which is a -.9% change.

Chair Stevens said they would now move on to a couple line items. On page 36, he asked if there were any changes to Debt Service and Capital.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to approve Debt Service total of \$750,691. Motion carried – all in favor.

Chair Stevens said a Misc. line had \$3 in it and asked if they need that. Mr. Dean said unallocated postage ends up here.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to approve Miscellaneous General Expense total of \$3. Motion carried – all in favor.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Woodward to approve the total Capital Outlay of \$376,707. Motion carried – all in favor.

Motion: A Motion was made by Mr. Kelly and seconded by Vice Chair Campbell to approve the total Debt Service & Capital of \$1,157,401. Motion carried – all in favor.

Chair Stevens said next they would move onto page 37, Benefits and Taxes. He said they need to update the health insurance buyout number. Ms. Hill said the reserve is at \$0 and the Insurance buyout line is \$95,836. She said the flex spending is the same and total Sick Leave is \$98,087.

Motion: A Motion was made by Vice Chair Campbell and seconded by Mr. Zwaan to approve \$98,087 for the Sick Leave total. Motion carried – all in favor.

Motion: A Motion was made by Mr. Ferraro and seconded by Mr. Kelly to approve the Unemployment total of \$2,725. Motion carried – all in favor.

Motion: A Motion was made by Mr. Ferraro and seconded by Vice Chair Campbell to approve the new Worker's Compensation total of \$186,384. Motion carried – all in favor.

Chair Stevens asked if there is a change to the insurance lines. Ms. Hill said yes, the new Liability Insurance number is \$119,540, the new Fleet Insurance number is \$10,731, and the new total Insurance number is \$133,272. Mr. Kelly asked what the reason is for insurance increase. Mr. Dean said one variable that affects it is the market. He said one thing that is happening in the marketplace is the old LCG used to carry liability trust, but that has been dissolved. So, he said Primex is the only pool left to write insurance.

Motion: A Motion was made by Mr. Kelly and seconded by Mr. Ferraro to approve the new Insurance number is \$133,272. Motion carried – all in favor.

Motion: A Motion was made by Mr. Ferraro and seconded by Mr. Kelly to approve the new Health and Benefits total of \$420,468. Motion carried – all in favor.

Motion: A Motion was made by Mr. Ferraro and seconded by Vice Chair Campbell to approve the new General Fund total of \$17,651,171. Motion carried – all in favor.

Ms. Hill said this is a 2.47% increase over prior year and a .56% decrease over the preliminary number. Mr. Dean added that three Warrant Articles were also reduced. Chair Stevens asked what the new total number is for the General Fund plus the Warrant Articles. Ms. Hill said the total is \$18,072,595 with Warrant Articles. Mr. Kelly asked Mr. Hill to come up with a summary sheet between now and when the BOS discuss the budget. Ms. Hill said she would. Mr. Dean said the BOS process is a recap of the BRC process and a kickoff to their review. Chair Stevens asked if the next BOS meeting would be a discussion of the budget. Mr. Dean said yes, they will discuss the big picture.

Chair Stevens asked the BRC and the BOS present for any input on this budget process. BOS Chair Gilman said the BRC covered things that she also had concerns about and added the BRC made good decisions. Mr. Lennon asked Ms. Gilman if she thinks the BRC is done at this point. Ms. Gilman said yes, she thought the BRC was done at this point and not it will move to the Selectboard. She added that the BRC did a great job. Selectman Chartrand thought the work on the Warrant Articles and reducing them so much was really good work.

Chair Stevens asked for thought on the process this year with regards to the subcommittees. He hopes the departments felt the subcommittees represented them well. Mr. Ferraro said he has spent three years observing the budget process, and now one year serving on the BRC, and thought not having PowerPoint presentations speed things up. He also thought that having the information they needed at least 48 hours ahead of time was a good way to go. Mr. Zwaan also wanted to acknowledge the work that went into providing information up front from Mr. Dean and the Finance Department. Mr. Dean gave his team kudos, saying they did a great job pulling this all together. Chair Stevens said in past years they have gotten information the day of which made the BRC scramble. He also thought having information upfront to digest is invaluable. Mr. Kelly said the Finance Department does a great job. He added that it would be worthwhile to get a template of a budget to make sure some things have been updated by the time the June work session rolls around. Mr. Dean said he is willing to take feedback from the committee members. He said he knows this process isn't flawless, but added that he and his team do meet to discuss what was effective in the process. Mr. Gilbert said he is impressed in the amount of time and effort that was put into this process. He said as he reflected on the process, a couple things struck him. One was that a lot of the numbers in the budget have to do with employees (insurance, salaries, etc.) and when you think of it like that there isn't much room to adjust numbers. Vice Chair Campbell said this year having a subcommittee go line by line did speed up the process. Chair Stevens said it was nice to have the subcommittees produce quality reports. Mr. Dean said that he continues to keep the door open with the SAU to discuss ways the town and the SAU can support each other. Lastly, Chair Stevens thanked all who worked on this for their effort.

Chair Stevens said the last bit of business is approval of the minutes which include October 21, 2015; October 28, 2015; and November 4, 2015.

Mr. Lennon had an amendment to page 3 of the 10/21/15 minutes, changing "emergency" to "energy". Mr. Lennon had an amendment to page 3 regarding the discussion of the library. He said he stepped down as a Committee member for that discussion and abstained from the Motion and thought the minutes should reflect that.

Motion: A Motion was made by Mr. Woodward and seconded by Mr. Kelly to approve the minutes of the October 21, 2015 BRC meeting, as amended. Motion carried – all in favor.

Motion: A Motion was made by Mr. Woodward and seconded by Mr. Kelly to approve the minutes of the October 28, 2015 BRC meeting, as presented. Motion carried, majority vote. Mr. Gilbert and Vice Chair Campbell abstained.

Motion: A Motion was made by Mr. Ferraro and seconded by Mr. Corey to accept the minutes of the November 4, 2015 BRC meeting, as presented. Motion carried, majority vote. Mr. Woodward and Mr. Kelly abstained.

Motion: A Motion was made by Mr. Ferraro and seconded by Vice Chair Campbell to adjourn the meeting at 8:26pm. Motion carried – all in favor.

Respectfully Submitted,

Nicole Piper, Recording Secretary