

1. Call Meeting to Order

Chairwoman Julie Gilman convened the Board at 7:00 pm in the Nowak Room of the Town Office Building. Other members of the Board present were: Mr. Matt Quandt, Mr. William Campbell, Mr. Robert Aldrich, Mr. Don Clement and Town Manager Russ Dean.

2. Public Comment - None

3. Minutes & Proclamations

a. Regular Session Minutes of December 20, 2010

This agenda item was tabled until next week since the Board had only just received these minutes due to the holiday schedule.

b. Special Session Minutes of December 21, 2010

This agenda item was tabled until next week since the Board had only just received these minutes due to the holiday schedule.

4. Appointments – None

5. Departments Reports – None.

6. Discussion/Action Items

a. Old Business

i. Gilman Park Update

Mr. Dean announced that they have received word that the Attorney General has said that they are not in a position to approve the petition for the transfer. Counsel for the Gilman Park trustees is now in the process of arranging a time to approach the court to request the release of the trust. Mr. Quandt asked if the Attorney General gave a reason for not approving the petition. Mr. Dean said that they did not give a detailed explanation, but did indicate a possible issue with a building in the park. They are not necessarily opposed to this, but don't feel that they are qualified to approve it so they would prefer to let a judge make the decision.

b. New Business

i. FY11 Budget

Fire Chief Brian Comeau, Asst Chief Eric Wilking and Asst Chief Ken Berkenbush came forward to discuss the Fire Department budget for 2011. Chief Comeau said that the budget was developed with 3 major goals in mind: 1) increasing revenue 2) working with the Board to re-establish the ambulance revolving fund and 3) conducting a full ISO review to re-evaluate fire service in Exeter along with the Water Dept and Dispatch to try to lower fire insurance rates in town.

Chief Comeau said that cuts to the Fire Department budget would not cause it to close its doors, but it would decrease services. Their budget is controlled by 2 major factors which are contract and increased call volume. This past year saw a 13% increase in ambulance calls for a total of 1,761 calls which is a record. Fire and service calls were up by 100 for a total of 2,315 calls. When their workload increases overtime becomes a necessity as they need personnel to respond to these calls. In 2010 they lost \$ 20,000 in revenue when calls were forwarded to mutual aid because the ambulance was tied up. Budget cuts would increase this number. As staffing levels are reduced the only option would be to remove one of the ambulances from service which would decrease revenue.

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Mr. Aldrich asked for some of the highlights of the big increases seen in the budget for 2011. Assistant Chief Wilking said these would be fire alarm division needs and the balance of equipment needed to stock the new engine currently still in Massachusetts. The new engine is an attack engine while the old engine it is replacing is a water supply engine so a lot of equipment could not be transferred from one to the other. Mr. Aldrich said that in the future he would like to see equipment stocking costs including in the costs of purchasing a new engine.

Chief Comeau said that they saw a larger increase in run volume when the Boulders came on line, which was expected. They do have the ability to collect fees on these calls, so there is some offset to the increased costs. They did modify their recall procedure to reduce overtime and try to save some money. This is when they saw the loss in revenue for the ambulance because they weren't able to fill the station all of the times that they needed to.

Mr. Clement asked what causes the department to have to use overtime, which he noted is increasing in 2011. Chief Comeau said that overtime comes in a number of different forms. Recall to firefighters is often necessary for emergency response and their contract requires minimum staffing levels. If someone calls out sick for the day they must hire coverage to keep the required minimum staffing.

Mr. Campbell said he knows that the fire truck often goes out also on ambulance calls to keep personnel together and asked if this could be adjusted. Chief Comeau said that just because the two pieces are responding together doesn't mean that there is an increase in overtime. They go in service to the call and if they get another call they will respond to that and distribute personnel accordingly. It really depends on the needs of the patient and the type of emergency that they are responding to.

Mr. Campbell said that when they hired the extra four firefighters about 4 years ago it was supposed to reduce overtime. It did reduce overtime then, but now it is creeping back up again. Chief Comeau distributed a handout to the Board members which illustrated current overtime levels over the last 5 years as well as a trend analysis of where Exeter would have been with overtime if they had not hired the extra 4 firefighters. It also compared overtime figures for Exeter with the towns of Hanover, Durham, Seabrook and Portsmouth.

Assistant Chief Ken Berkenbush said that another looming issue is that transport time is going to increase if the Anthem contract drop with Exeter hospital goes through. Patients will want to be transported to Portsmouth instead of Exeter. Mr. Quandt asked if they are required to transport a patient to the hospital of their choice. Mr. Berkenbush said they must transport to the patient's choice of hospital unless doing so will be detrimental to their health due to longer transport time.

Mr. Aldrich asked what their prediction is for call volume trends in 2011 and Chief Comeau said that he feels that it will be very similar to that of 2010.

Assistant Chief Eric Wilking said that the budget contains a proposal to change the health officer position from part time to full time. This change has been proposed so that they can meet their goals and objectives. Chief Comeau said that they believe that they can increase their revenue by \$ 100,000 to \$ 125,000 per year by going to a third party billing service. They are in the process of talking to a couple of such service providers. They would need someone to run this project and stay with this project and this is why they have proposed the increase in the health officer's hours. This would take duties off of Ken so he can focus on the EMS billing. The current budget impact of this change for 2011 would be \$ 22,000 as the change would be slated to be effective as of July 1. The impact for a full calendar budget year would be \$ 37,000. The health officer currently works 28 hours per week.

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Mr. Clement asked if they had considered increasing her hours slightly but still keeping her part time. He suggested the idea of increasing her hours to 34 per week. Assistant Chief Berkenbush said that he is frequently interrupted by public complaints and needs that require immediate attention. Many of these could be dealt with by the health officer. Increasing her time by about one hour a day would be helpful but still hit or miss. Chief Comeau said that the key to getting this project off the ground is really getting the health officer position to 40 hours per week. He said that there is about a \$ 20,000 savings in health care costs due to a firefighter insurance coverage change that wasn't reflected in their original budget. He said that this savings could be used to offset the increase in the health officer's hours and they would be willing to look at cuts to other line items if necessary.

Mr. Clement asked if there would be any issues with the job description or pay scale if the deputy health officer position were changed from part time to full time. Mr. Dean said that there is a pay scale for it already and they would just be looking at an increase in hours.

Mr. Aldrich asked what the impact would be if the Fire Department budget were reduced by about \$ 110,000 in order to achieve level funding. Chief Comeau said that there would be some reduction in emergency recall overtime which could affect the ability to man a second ambulance. It also could have payroll impacts such as the elimination of special duty stipends. Mr. Aldrich asked if these special stipends are contract items. Chief Comeau said that the special duty stipends are not in the contract but they are longstanding and have been around since about 1986 or 1987. Mr. Aldrich remembered lengthy discussion about the appropriate language for police stipends when the police contract was done and questioned why the Fire contract does not include stipends. Mr. Dean said that he will look into it and get an answer.

Chief Comeau distributed a budget copy handout which illustrated what cuts they would recommend be made to individual budget lines if a 3% overall reduction was required. Some other line items reduced would be hydrant maintenance, mosquito control and uniform maintenance.

Mr. Aldrich said that he would not be in favor of hiring a full time person in the Fire Department this year, although he might be able to support it if there were budget offsets.

Ms. Gilman asked for an explanation of how there will be a revenue increase if an outside billing service is hired. Chief Comeau said that they currently bill based on the information that they can get from the firefighters and hospital staff. Billing services have more tools at their disposal and can better track insurance information once a patient is already in their system. They have a better handle on mileage rates and a better ability to thoroughly cover all costs. He feels that Exeter is doing a good job right now with the billing, but a service would provide a better opportunity for them to cover more of their costs. Billing service collection rates are also much higher. Currently Exeter bills a flat Medicare rate of \$ 464 per call regardless of the medical reason. A billing service would charge different rates depending on the case so that insurance companies would be charged more for the patients who have the more extreme cases.

Mr. Campbell asked if engaging the services of a billing service would free up other employees. Chief Comeau said that currently the office manager spends 70% of her time doing ambulance billing. It would also free up time for Assistant Chief Berkenbush so that he can perform his regular job duties. The down side is that a billing service would charge a 4-7% commission on whatever they collect. There is definitely an incentive for them to try to collect as much as possible. Chief Comeau is working on trying to negotiate a lower bulk rate in conjunction with other towns which would all use the same

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service.

Mr. Clement asked if the best management practices document that DES is requiring for the Sportsmen's Club would involve practices that the club would be expected to follow. Mr. Berkenbush said that the document is basically a set of rules and regulations for the stewardship of the land, such as what type of shot could be used and how often the berms would be cleaned. DES is requesting that the document be created by a neutral third party with input from both the town and the club. Mr. Clement said that DES is insisting on it because of the nearby reservoir since they have oversight of drinking water supplies.

Mr. Jim Knight asked why the Fire Department is currently charging the Medicare rate of \$ 464 per ambulance call. Ms. Gilman advised that this is because that is the rate that has been approved by the Board. He asked what the current percentage of calls is to Riverwoods and Chief Comeau said that it is around 16% of the total volume. He asked what the total ambulance revenue is and Chief Comeau said that for 2010 they expect it to be around \$ 420,000. Mr. Knight commented that they are operating at a deficit on this and asked for an idea of how much the deficit is. Mr. Quandt said that Medicare reimbursement is usually about 66 cents on the dollar so the loss could be estimated at around 34 cents on the dollar. Mr. Dean said that whether or not EMS is losing money depends on how you look at the budget. Mr. Knight said that he believed that last year there was around a \$ 200,000 deficit and Chief Comeau confirmed that this was correct. Mr. Knight asked if they should be charging more than \$ 464 per call. Ms. Gilman said that a rate setting discussion for ambulance services would be an agenda item for another time.

Mr. Brian Griset expressed his concern that the accounting for the Fire Department budget line items be in compliance with all state statutes. He said that based on how the budget is constructed there are transfers between the general fund and water & sewer enterprise funds. Commingling of funds is prohibited as per certain state RSA's. General fund expenses cannot be paid for by water and sewer enterprise funds. Mr. Dean said that there are lots of different facets to this.

Ms. Sue Benoit came forward to discuss the Human Services budget.

Mr. Aldrich asked for a year to date 2010 total of what has been spent on direct relief. Mr. Dean said the figure is currently \$ 13,861 and commented that Ms. Benoit is very good at getting referral services for clients which saves the town a lot of money. She has great relationships with other social service agencies and local churches. Ms. Gilman said that there seems to be a pattern of this budget line item being under-utilized and that the Budget Committee also discussed this. She said that it seems that this comes up every year and asked if Human Services is being too conservative with their funding choices.

Ms. Benoit said that the direct relief is a safety net for Exeter residents and that there has been an increase in families and individuals seeking assistance who have never done so before. It is difficult for many people to make ends meet. Human Services will only pay current bills, not back bills. In many cases people wait too long to request assistance and so they are unable to help. She said that this past year they had 3 cremations with the possibility of five and she is only budgeted for 2. Mr. Quandt asked what the cost is for a cremation and Ms. Benoit said that it is \$ 750.

Mr. Campbell asked if the direct relief line item could be reduced since historically there is a pattern of it not being spent. He suggested that it be reduced by \$ 10,000. Mr. Aldrich recommended cutting the line item to \$ 20,000.

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Chief Richard Kane came forward to discuss the Police Department budget. He said that the Police Department budget for 2011 contains no more and no less than 2010. The budget total is a 1.4% increase over 2010 mostly due to either contractual items or increases in healthcare costs. Most accounts are the same as 2010 or are decreased.

Mr. Clement asked what causes overtime in the Police Department. Chief Kane said that there are 3 types of overtime which are patrol, staff and dispatch. Patrol overtime is the biggest. Patrol overtime is used to cover court costs, training, shift coverage/emergencies and training involved with Seacoast Emergency Response. Overtime costs in 2010 were \$ 61,000. Of this, \$16,000 was for emergencies & shift coverage, \$ 11,300 was for training, \$ 28,000 was for court costs and \$ 319 was for Seacoast Emergency Response. They were over budget last year on overtime costs due to 3 major cases: a homicide/suicide, a second death investigation and a stabbing on Valentine's Day.

Mr. Campbell noted that the Budget Committee has already made some reductions to their budget and asked Chief Kane if they will be able to work with them. The Budget Committee reduced PT dispatch salary and sick replacement. Chief Kane said that he runs a very tight budget already, but he'll find a way to work with what he has. The department had seven officers who did not take any sick time in 2010 which really shows their dedication level.

Mr. Campbell commented that he has seen in the news that there have been reductions in the judicial system and asked what effects the Police Department sees from these cuts. Chief Kane said that there will be less court days. The judicial system is financially a mess right now. Arraignment days and court day agendas are huge and there is no way that the court can get through all scheduled cases. This may mean that officers sit longer waiting.

Mr. Quandt asked Chief Kane if he is forecasting more or less crime in 2011. Chief Kane said that statistically as population increases so does crime. Although he can't predict Exeter's crime rate for 2011, he can say that Exeter's crime rate is way, way below the national average. There have only been 4 homicides in the past 30 years that he has worked in Exeter.

Mr. Aldrich asked what the impact would be if the Police Dept were forced to cut about \$ 100,000 in order to level fund the budget for 2011. Chief Kane said that there is no doubt that it would be cuts to staff. He runs the budget very close to the vest as it is. There would be some options with layoffs though. They could cut one sergeant, cut a patrolman and a part-time secretary or cut the animal control/parking enforcement officer and a part-time secretary. If he cuts a sergeant, that would mean that there would be 52 hours per week when officers would be working without a supervisor. There are several new and young officers on the force. This is not the best way to do business and opens the town up to some liability. It would also impact in service training.

Animal control / parking enforcement brought in about \$ 38,000 in revenue in 2010. If this position were cut there would be a decrease in revenue. Officers do not have the time to catch wild animals and deal with the 600 or so unregistered dogs that Exeter has each year. Other officers would be able to pick up some of the parking enforcement, but there would be a definite impact to revenue. If he cuts an officer position, there is 40 hours less work each week. Less bodies also means more overtime. Chief Kane said that if he were forced to pick an option tonight, he would cut the sergeant only because in this case he would only have to lay off one person.

Mr. Clement said that the Budget Committee's recommended total budget for 2011 is \$ 16,506,000. According to his estimate the default general fund budget is \$ 16,250,000. The difference is \$ 256,000.

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Mr. Clement moved to charge Town Manager Russ Dean and the department heads to find a way to get the budget down to \$ 16,250,000. They are instructed to come up with a list of items to be cut that equals \$ 256,000 by next week. Mr. Quandt seconded. Vote: 4-1 Mr. Aldrich opposed, stating that he feels that it should be the Board's responsibility to create the list.

Ms. Gilman said that there is one piece of emergency business regarding the boiler at 47 Front Street. The boiler completely shut down and stopped working between the two holidays. Mr. Kevin Smart said that they took corrective actions to get some emergency heat into the building and have brought in a company to replace the boiler. Work is in process and they are hoping to have heat back soon. The new boiler will be installed by Palmer & Sicard. The cost for the new boiler, 5 heat zones, venting, piping, valves, testing and demolition of the older boiler is \$ 25,995. Mr. Dean said that this cost is targeted to come out of the 2010 maintenance projects budget.

Mr. Aldrich said that discussion of warrant articles is slated for next week's meeting agenda. He asked that there be a list of the warrant articles and bond articles for next week so that they can quickly move through them. There are 5 warrant articles not recommended by the Budget Committee.

7. Regular Business

a. Bid Openings – None

b. A/P and Payroll Manifests

a. Accounts Payable and Payroll Manifests

Mr. Clement moved to approve a regular weekly payroll warrant for week ending 12/19/2010 in the amount of \$ 153,465.22. Mr. Aldrich seconded. Vote: Unanimous

Mr. Clement moved to approve an accounts payable warrant for checks dated 12/24/2010 in the amount of \$ 161,504.82. Mr. Aldrich seconded. Vote: Unanimous Big Ticket Items: \$ 66,000 to Greenwood Emergency Vehicles for the new pumper truck, \$ 7,000 to Westin & Sampson, \$ 8,000 to Vision Appraisal and \$ 10,000 to Unitil.

Mr. Clement moved to approve a regular weekly payroll warrant for week ending 12/26/2010 in the amount of \$ 163,807.85. Mr. Aldrich seconded. Vote: Unanimous

Mr. Clement moved to approve an accounts payable warrant for checks dated 12/31/2010 in the amount of \$ 300,959.82. Mr. Aldrich seconded. Vote: Unanimous Big Ticket Item: \$ 216,000 to LGC Health Trust.

c. Budget Updates – None.

d. Tax Abatements & Exemptions – None.

e. Water/Sewer Abatements -None

f. Permits - None

g. Town Manager's Report

Mr. Dean said that the time is nearing for the Deliberative Session scheduled for Saturday, February 5th. They have been offered the use of the new high school auditorium.

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Mr. Quandt moved that the Deliberative Session on February 5th be held at the new Exeter high school auditorium. Mr. Aldrich seconded. Vote: Unanimous

Discussion on where to have the town elections in March will be an agenda item for next week.

h. Legislative Update

Mr. Quandt said that they are starting the next session on Wednesday with procedural motions and rules. The Governor's inauguration will be on January 6th. It is BYOB.

i. Selectmen's Committee Reports

Mr. Quandt said that the next Cable Committee meeting is on January 6th in the Art Room at the Library.

Mr. Campbell had nothing to report.

Ms. Gilman said that the Jady Hill special meeting on the Inflow & Infiltration program will be held at 6:30 pm on January 5th at the library. There will be maps with color coding illustrating homes that will be affected. People can email the town if they are unable to come. Mr. Dean said that the DPW will take questions if residents wish to call them at PH: 773-6157. They can continue to have more meetings on this if necessary.

Ms. Gilman said that the group that has been meeting about the train station is planning to meet again on January 26th at the Lincoln Street school library.

Mr. Aldrich had nothing to report.

Mr. Clement asked if the River Study Committee had made a bid selection yet. Mr. Dean said not yet.

j. Correspondence - None

8. Review Board Calendar

The next regular Board of Selectmen meeting will be Monday, January 10th at 7:00 pm.

9. Non Public Session – None

10. Adjournment

Mr. Campbell moved to adjourn at 9:10 pm. Mr. Aldrich seconded. Vote: Unanimous

Respectfully submitted,

Jennifer Mancinelli
Recording Secretary