

1. Call Meeting to Order

Chairman Robert Aldrich convened the Board at 7:00 pm in the Nowak Room of the Town Office Building. Other members of the Board present were: Selectman Frank Ferraro, Selectman Matt Quandt, Selectwoman Julie Gilman, Selectman Don Clement and Town Manager Russ Dean.

2. Public Comment

Mr. Alan Bailey noted that the draft audit for 2010 has been received, but is not dated. He asked about the amount of money used from reserves to reduce taxes and Mr. Dean advised that \$310,000 was used to offset the tax rate when it was set a few weeks ago. Mr. Bailey asked if the Board voted on this and was advised by Chairman Aldrich that they did not. Mr. Bailey also talked about recent news articles alleging that there may have been some mishandling of funds by the LGC and that some communities are requesting refunds of money returned by the Office of the Secretary of State. He asked if Exeter will request a refund from the LGC also and Chairman Aldrich advised that the Board of Selectmen have not yet discussed this. Mr. Bailey also inquired whether or not the Board will be discussing changing Exeter's form of government from a Selectmen form to a Councilor / Manager form of government. Chairman Aldrich advised that no selectmen have asked to have that discussion.

Mr. Brian Griset pointed out that last week's minutes do not reflect any reference to discussion that the desires of the people request that the receptionist position remain as opposed to an automated phone system or discussion of the "do nothing option".

3. Minutes & Proclamations

a. Regular Session Minutes of November 14, 2011

Chairman Aldrich pointed out that the minutes do indicate that there is an Option C to do nothing. Mr. Clement said that there wasn't much discussion about it. Chairman Aldrich stated that Mr. Griset is correct that he did make reference to a previous warrant article vote in the past but it would not seem necessary to include it in these minutes because it is referenced elsewhere. Mr. Clement pointed out that it only referenced that particular year.

Mr. Clement moved to approve the Regular Session Minutes of November 14, 2011 as presented. Ms. Gilman seconded. Vote: Unanimous Mr. Ferraro abstained from the vote.

4. Appointments - None

5. Departments Reports- None

6. Discussion/Action Items

a. New Business

i. Connie Road Status - Discussion

Bob Collier, a Connie Road resident, was present to ask the Board to authorize the Town Manager to authorize the Road Agent to make some repairs to Connie Road. It is in deplorable condition with quite a few potholes. Much of it is washed out and there is basically a mud pit at the end. He feels that it would be difficult for fire apparatus to get in if there were an emergency. Repairs need to be made and the road needs to be crowned so water runs off the sides.

Chairman Aldrich said that from the research they've done it doesn't look like Connie Road is a Town owned road. There was a warrant article back in 1979 to see if the Town would support taking care of

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the road and that didn't pass. They are trying to piece together how over the decades the Town came to even be plowing the road. Bob Collier said his feeling is that it is a right of way to the Chester Simpson property and the Town must have some obligation. There is a fire hydrant on the road, as well as some water wells. Police and Fire would need to have access.

There was discussion about who owns the land that the road is on and who granted the right of way. Mr. Ferraro pointed out that a private individual can grant a right of way. If it is privately owned, the owner is responsible for maintaining it and keeping it clear. Just because there may be houses at the end of it doesn't require the Town to take care of it. Whoever owns the road is responsible for insuring that there is proper access. Fred Prince said that it is his understanding when he purchased his property that the road was gifted to the Town with the Simpson property. He had some documentation that the previous owner gave him at that time and he will look for it. Chairman Aldrich said that they can pull the Simpson estate documents when the Town received the property. Mr. Clement said that it is important to determine the legal status of Connie Road. Bob Collier stated that he has lived there for 37 years and the Town has been plowing the road all of this time. Mr. Collier said that they pay taxes for services they don't get such as curbside trash service and sewer service. They get water but not sewer. He feels that there should be some feeling of community spirit and obligation here to take care of this.

Chairman Aldrich said that they will look into this to find out who is responsible for the road. Mr. Dean or Mr. Aldrich will get back to Mr. Collier as soon as they've researched this. Mr. Collier requested that the information be mailed to him at his home address.

ii. Review 2010 Draft Audit

Mr. Dean advised that the 2010 draft audit is in. They just need to wrap up the management letter with the auditors, but the content is what it is. They have sent their responses and are waiting for feedback from the auditors. They have reduced material weaknesses by 1, from 6 in 2009 down to 5 in 2010. The audit notes that the weakness with cash reconciliation procedures existed in the first half of fiscal year 2010, but they had staff in place and were able to correct it in the second half. This material weakness should come out when the 2011 audit is done. In terms of the second material weakness on the financial reporting and accounting system, there was some lag in terms of getting all of the information together for them when they came in. They did have lots of discussions with them about the number of adjustments that had to be made, which was between 25 and 30 adjustments total. They are trying to get that number of adjustments down to zero, but hopefully under 10 for fiscal year 2011.

The other 3 material weaknesses cited are a formal risk assessment, internal audits and an OPEB valuation. The auditors are now looking for a more formal risk assessment program. They would like the Town departments to meet more frequently and talk about what kinds of risks are inherent in the organization in terms of finances. They would also like to see a broader risk assessment conversation about what sorts of things are structurally sound or unsound and basically create a scorecard of how the Town is doing with regard to the risk front to present to them as part of the audit process. One of the things they did do in 2010 was to establish a door to store program. Inventory of blue bags now goes directly from the companies to the door locations. They don't have the risk of having inventory around in the Town. There is a process set up and they are able to audit receipt of the bags to make sure that it is 100%.

On the internal audits, they do have a plan if they can structure themselves the right way to get into things like EMS billing, Parks & Rec and police details. They would like to do more internal audits on these. They have talked about this a lot and the lack of resources needed to do this on a timely basis. However, they are looking to put together a quarterly schedule for this to try and meet for 2012. The

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Town cannot get a totally clean audit until the OPEB piece is done which would require hiring an actuary. OPEB pertains to post retirement benefits. Some cities and towns have done this but most have not. They will be working on getting a consultant on board to do that work.

Chairman Aldrich recognizes with regard to the OPEB piece that there is some liability there but stated that most of the liability is on the State Retirement System and wants to understand how this gets captured. Mr. Dean explained that they look at the current personnel and when they will retire and measure the obligation for that. He doesn't feel that the Town would have much liability here, but the fact that the Town has not done this post employment benefits liability schedule is holding it back from getting a totally clean audit. Mr. Clement pointed out that this material weakness was also documented in the 2009 audit. The school system SAU17 has had the same weakness cited. As it could cost \$40,000 to \$50,000 to have this actuarial work done, he asked if it might be possible for the Town to collaborate with the SAU to get this work done. He asked if they can find out where the SAU is at with regard to this. Chairman Aldrich replied that they can look into this as well as connecting with other municipalities. Mr. Dean has asked the question of where they stand but has not yet heard back from them.

Renee O'Barton read the Town's response to this material weakness in last year's management letter which stated that the Town would go out and obtain quotes for this actuarial work. She asked if the Town got any quotes. Mr. Dean replied that they not gone out and gotten any quotes yet but do have documents about it. Mr. Ferraro asked if the Town has any other post retirement liabilities other than those covered by the New Hampshire Retirement System. Neither Mr. Aldrich nor Mr. Dean knew of any. Mr. Ferraro then asked if there is any real financial liability to the Town on this or if it is just a theoretical exercise to check off a box. He cannot see spending money just to check off a box. Chairman Aldrich thought that on paper the liability is probably enormous but the reality is that the liability transfers to the State Retirement System when the employee announces retirement so the net liability is really zero.

Bob Eastman asked if this is part of the GASB requirements. Mr. Dean confirmed that it is. Mr. Eastman said that it could affect the Town's bond rating in the future. Mr. Griset asked if the NH Retirement system is tracking this information. If they are it would solve every Town's requirement. Mr. Aldrich would like to see the outcome from other Towns that have done this and what practical, realistic impact it had other than clearing the audit. Mr. Ferraro suggested sending out communications to other towns to try to get this information.

Mr. Dean said that they had discussions about the journal entry documentation. There was an acknowledgement that it was improved in the second half of 2010. They are confident that it is being handled well and the Town believes that this issue has been corrected. The department receipt procedures policy is old and needs to be updated. Mr. Dean said that this is on the list of things to do and they will get to it as soon as they can.

Mr. Ferraro asked if expense accounts would be part of this new procedure. Mr. Dean confirmed that they would be. Mr. Ferraro has been told that there have sometimes been issues with getting proper receipts and documentation for expenses. Mr. Dean said that they do watch these closely and if there are any specific examples he would definitely want to know about it. Mr. Ferraro would also like to have a better understanding of how many Town paid credit cards are out there, who has them and what they are being used for. Mr. Dean said that there is one account in the Town Office used by all the departments, one account in Police, one account used by Fire and one in Parks and Rec used mainly for revolving fund activities such as purchasing food for concession sales. Mr. Dean pointed out that everything goes

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through the warrant process and is visible. The Town will be updating their credit card payment and authorization procedures. It is an option to talk about implementing more stringent credit card practices.

Mr. Dean said that they do have some deficit accounts on the books. One is relatively old from 2004 on the Great Bridge Design project. They will research that one. They will be presenting the auditors with a recommendation to fund the other ones. Most are small and are generally created when the year end close occurs and they are a couple thousand dollars in the red. They then get grant revenue in the next year which offsets the expense. On the internal controls, there is a comment about the library. The library is an independent entity and gets its own audit done so the library will need to respond to that comment. The FTC red flag security documentation is on the list and they are working on getting to it. It has to do with identity theft and building in that sort of protection on utility accounts. At this time Mr. Dean is not sure if this will be an additional cost to the Town. Mr. Clement would like to see some sort of a formalized scorecard / project plan for the suggested improvements. Mr. Aldrich agrees and said that this is what they tried to do coming out of last year's meeting with the best of intentions.

Renee O'Barton expressed concern that some of the Town's responses to the management letter statements say that things are going to be done in 2011. She wonders how practical this is since it is almost December. Mr. Aldrich said that this is a conversation that they need to have. Mr. Dean said that every year the statements get more complex with the GASB regulations. Mr. Ferraro asked how authorizations for bond issuances are tracked or carried for projects and reported for the auditors. Mr. Dean said that they are shown on page 12 under the section entitled "Fund balances reserved for encumbrances and continuing appropriations". Mr. Dean said that the current total is \$ 192,458 and the lion's share of that has to do with the Great Dam work.

iii. Lincoln Street Project Discussion (2012 CIP)

Chairman Aldrich stated that there are several options that could occur with the proposed Lincoln Street project and it is on the agenda tonight so that they can decide upon how they want to proceed with this. There are essentially 3 phases of the project. Phase I or the utility phase involves replacement of the water and sewer mains that flow under Lincoln Street which are some of the oldest pipes in the system. Phase II and III would be roadway improvements design and construction of the new roadway. A new design would come out of this process in conjunction with the Westex group which would include traffic movement, parking accommodations and sidewalks and other items. Right now they have this set up to be funded over the course of the next 3 years with utility replacement first, then design of the roadway, then construction. There is an option to fund it all up front and call it the Lincoln Street project even if it takes 2 or 3 years to complete. They could ask for the money through the warrant article process in pieces. A third option would be to not do the project at all. If they ask for the money in increments, the price tag for each would be lower but there is a risk that they don't get the funding for the second half of the project. Chairman Aldrich said that it may make more sense to explain and present it as a complete project in one year. This project is also competing with several other projects that are proposed to be on the warrant already. The Board has got to start making some decisions about all of these.

Discussion ensued about this. Mr. Ferraro pointed out that they have 3 very large water projects currently before them: Jady Hill Phase II, the groundwater treatment plant and Lincoln Street. All are worthy multimillion dollar projects and trying to do all 3 would be huge. He would prefer that the Lincoln Street project be done in 2 phases. He would like to see phase I be replacement of the water and sewer lines plus a preliminary design of the roadway. Phase II would be finishing the final design and construction. Mr. Clement thinks that if they are going to do this they should bundle it all as one project. Last week there was a neighborhood meeting with some Jady Hill residents who indicated that they would like the work there to get completely done and over with. He thinks they should defer

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Lincoln Street for the foreseeable future and focus on Jady Hill. Ms. Gilman likes the idea of combining the Lincoln Street projects together. Mr. Clement said that they don't want to get ahead of Westex with the Lincoln Street project. Chairman Aldrich said that Westex is waiting for the design phase and Ms. Gilman said that they would go together. Mr. Ferraro pointed out that including some preliminary design in the first phase would give an opportunity for public forums and biddings and discussion. Some of this reconstruction here anticipates things that may not be in the design. It is possible that things proposed in the Westex design would cost too much money and voters would not want it. Separating it out lets the voters decide what they want to do with Lincoln Street but gets the infrastructure work done. Mr. Aldrich was concerned about having another plan on the wall. Mr. Ferraro pointed out that they already have a plan on the wall and that is Jady Hill II. Mr. Aldrich said the other piece to this is that it is tied into the water line rehabilitation submittal in that the plan is to essentially invest 1.4 million dollars every other year or so into water line improvements. Most of this would go to the utility project on Lincoln Street. Some (about \$450,000) was also going to go to work on Winter Street. If they decide not to move forward with Lincoln Street in 2012, they would also need to decide whether or not to proceed with funding for the other water line project or defer it as well.

Arthur Baillargeon thinks that Lincoln Street should be a priority. The other week when they were flushing hydrants he had no water for awhile. Chairman Aldrich said the Lincoln Street project would definitely increase the size of the pipes. Chairman Aldrich believes that Lincoln Street should be the priority and he would defer Jady Hill Phase II until 2013. Mr. Quandt was concerned about sticker shock with the cost of some of these warrant articles. If they lose the water treatment plant another time they may not have the debt forgiveness again either.

Chairman Aldrich stated that perhaps the first decision that should be made is whether to go with Jady Hill or Lincoln Street. Mr. Quandt was leaning toward Lincoln Street, especially since there is still work on Jady Hill Phase I to finish. Mr. Clement said that the groundwork for Jady Hill Phase II is already well laid out. He thinks it makes sense to keep the momentum going and finish it. Jady Hill residents would prefer that the work get done. Mr. Aldrich feels that there has been a lot of talk about Jady Hill and there is much work to be done there in 2012 as is. He would prefer to move forward with Lincoln Street and believes that it would offer new dialogue and new energy. Mr. Ferraro is very torn as the Town has two very dire needs. It is the second phase of Jady Hill that will focus on the I/I issues and he feels that they just need to finish Jady Hill. Ms. Gilman would go with Jady Hill. They know what they need to do to decrease I/I and reduce CSO's. Board consensus is to move forward with Jady Hill Phase II and defer Lincoln Street to 2013 or later.

Following the decision to move forward with Jady Hill Phase II and push Lincoln Street out to 2013 or later, the Board had discussion about the other \$446,000 project proposed for replacement of the Winter Street water main from Columbus to Main Street. There was discussion about whether or not to defer this as well. Arthur Baillargeon said that perhaps it is just the pipe on Lincoln Street where the problem is because it is so small. Mr. Clement would like to hear more about the Winter Street project, as well as proposed impact on water and sewer rates for this and other proposed projects. Mr. Dean said that Mr. Baillargeon had a good point. In terms of the Lincoln Street 6 to 12 inches and the side mains going from 4 to 6 inches, it may be that those 2 projects are pretty well intertwined in terms of benefits. Chairman Aldrich said that if they decide not to fund the Winter Street project in 2012, there would be an option to ask to fund it as a stand-alone project in 2013 or roll it into the next 1.4 million dollar group of water line improvement projects in 2014. Mr. Ferraro thought that they should defer the \$446,000 Winter Street project until 2013.

Mr. Dean explained that as per the latest Budget Committee budget recommendation right now the rate

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increase on water for FY2012 would be 2.8%. That translates into \$1.70 per quarter or roughly \$7 per year. Every \$200,000 raise in the Water Fund requires a 10% rate increase which is about \$28 per year. Any bond issue approved in 2012 would not start to be paid back until the earlier of two dates, one being either the next year or when the project is actually closed out and completed. The debt to cover the Lincoln Street and water line replacements that total 1.4 million has been figured in to a 10 year note with a payment of around \$170,000 in the first year. In round numbers you would be talking about a rate increase of 10% or \$28.00 per year to the average rate payer.

Brian Griset said that with regard to the 2013 Lincoln Street project, if the groundwater treatment plant goes on the warrant and is approved, improvements need to be made to certain sections of Court, Pine, Main, Front and Lincoln streets in order to get adequate pressure to the tank to bring the plant on line. Lincoln Street cannot be pushed off two years if the Town is going to proceed with the groundwater treatment plant or it will be sitting idle or at least not up to its full capacity. He has noticed that some of the water line replacements are only bonded for 10 years. He knows that there is almost a full percent interest rate decrease with the State SRF Fund, but if the Town is going to be doing 20-40 million dollars in upgrades, it should probably be looking at funding these bond articles over the maximum course of their lifetime. These water lines will last 50 years and there will be a big increase in rates if they bond over 10 years.

Chairman Aldrich will update the warrant article spreadsheet to take off Lincoln Street and add the \$446,000 for the time being with the understanding that it may come off later on. He will ask Ms. Perry and Mr. Vlasich to provide some additional information to help make this decision.

iv. FY12 Budget and Warrant Articles Discussion

The Board had a discussion about the progress on the FY 2012 budget and warrant articles. Chairman Aldrich referred to the list of capital projects for 2012 still being considered by the Board of Selectmen. There is also a listing of items that have already been removed from consideration for FY2012.

Ms. Gilman said that they have a consultant coming who specializes in slate roofs to evaluate the historical society roof and the water treatment plant roof. If they can reuse the slate it would save around 60% of the cost. She asked that they continue to leave these items on the list until they see the consultant results. Mr. Clement made a pitch to eliminate the Town Office expansion project and Town Office HVAC / efficiency project. Mr. Quandt pointed out that last week they talked about only one sidewalk tractor. Mr. Ferraro believes that the cost of the small station generator project can be dropped down to \$90,000 based on work done by the Chairman of the Water & Sewer Advisory Committee.

Mr. Ferraro pointed out that the Town purchased a new street sweeper in 2000 and 2005 and now in 2012 they are looking to replace it again. This sweeper has had \$166,000 worth of maintenance in the last 6 years. He has calculated that it costs the Town around \$100,000 a year to own a street sweeper. Ms. Perry has advised that they can contract this work for \$60,000 per year. It is a no brainer that they should not buy a new street sweeper replacement and that they should direct DPW to contract out for these services. They could keep the current sweeper and use it for emergencies or sell it. Regarding labor, the amount of hours that are currently devoted to sweeping would get deducted out. Ms. Perry had stated that she would use the hours somewhere else, but she hasn't yet made a case for this additional manpower. Mr. Ferraro proposes to strike the street sweeper, direct DPW to sell the current piece of equipment, contract out these services and reduce the DPW budget for fuel, maintenance and personnel hours accordingly. Mr. Quandt could agree to take out the street sweeper warrant article, but would need to look further at the other items particularly staffing before making a decision on those. Ms. Gilman would like to look at the numbers on the whole thing more before making a decision on

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this. Mr. Clement agreed to strike the warrant article for the street sweeper for this year, but wants to have further discussion on the other suggestions that Mr. Ferraro has made before making a decision. Mr. Aldrich will strike the street sweeper warrant article from the list. Mr. Ferraro will share his analysis information with Ms. Perry. Mr. Aldrich will ask Ms. Perry to appear before the Board with her own information and they will continue the conversation.

Mr. Clement proposed to only move forward this year with one sidewalk tractor replacement. There is one in the budget and one as a warrant article. Mr. Ferraro and Mr. Quandt were in agreement to strike the one listed as a warrant article. Chairman Aldrich will keep the one in the budget for now. Mr. Ferraro noted that a warrant article was approved in 2005 for a sidewalk plow in the amount of \$77,000. He has asked Ms. Perry for additional information about this since he is not sure what this is. He would like to know the difference between this piece of equipment and what they are looking for now. Mr. Dean can also look into this.

With regard to the two pickup trucks that Water & Sewer is requesting in the amount of \$30,000 each, Mr. Ferraro has done some research and believes that the amounts can be reduced to \$20,000 each. There are local distributors which can put a lift gate on an F150. The Board will have further discussion on this at a later date.

Mr. Clement suggested striking one of the two 6 wheel dump trucks from the warrant. There was Board consensus to do this.

Mr. Clement recommended not replacing the electrician van. He feels that it is not in such bad shape compared to some of the other vehicles and that they can hold off one more year on this. There was Board consensus to do this.

Mr. Clement recommended foregoing the vactor truck replacement. The replacement rating on the points system is low. It is a 2004 that has cost \$17,000 in maintenance to date. If it is used efficiently, he feels that they can get some more life out of it. Mr. Ferraro pointed out that according to the numbers it is working fine and the reliability rating of the vehicle is a two. Mr. Aldrich was getting concerned about the amount of things getting deferred. Ms. Gilman pointed out that this also has DES implications. Mr. Quandt said that Ms. Perry made a good case for it and he would support putting it on as a warrant article. Mr. Aldrich said that they need a vactor truck for many reasons. If they defer it they will have to recognize that if it breaks down they will have to spend the money needed to fix it. Mr. Ferraro pointed out that when compared to the \$360,000 cost of a new truck with a life of 6 years, they can afford to spend a lot of money on maintenance and still be less than \$60,000 per year. Agreement was reached to strike the vactor truck from the warrant article list.

Mr. Clement proposed cutting the utility box truck for Water & Sewer. He believes that they can get by for another year. It has a cost of \$41,000 with a vehicle point score of 30. This would have budget implications because it is already included in the budget. There was Board consensus to strike this.

Chairman Aldrich said that the Budget Committee expects to finish its work on the Budget on November 29th. It should come back to the Board of Selectmen shortly after that. There are a few issues that have come up with regard to personnel. The Budget Committee has weighed in with an opinion regarding tax collection staffing which will be discussed later on this evening. There is also a glaring COLA inequity issue. The Board has set a zero COLA in 2012 for non-union employees. There are 4 other employee groups in Town. Police are getting a 3% COLA in 2012, Fire will get a COLA in the range of 3-5% and the Library Trustees have set aside a 4% increase for their employees. If Public

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Works union employees get a COLA, it will be part of contract negotiations which are ongoing and would have to be approved by the voters via warrant article. However, it is likely that they are looking at the other groups in Town when having the COLA conversation. There is an appearance and sentiment of inequity here. If the Board is firm on a zero percent COLA in 2012, then the question is whether there is some discussion they could have with the union groups to see if there are some concessions that could be made to level out the playing field amongst all of the employees.

Chairman Aldrich mentioned that there are several open positions in Town (4 full-time in Police and 1 full-time at Public Works). Last year the Board decided to defer hiring on some open positions until July 1st in order to save some money in the budget. There is also the option to fund them completely or eliminate them completely. Another option is to eliminate or reduce hours of current positions. Chairman Aldrich noted that it is a delicate conversation to talk about reducing current staff. He doesn't want to create a lot of anxiety among Town employees and would like to get a feeling from the Board as to whether or not this is a direction that they would like to proceed in. The final option is to look at processes in place to see if there are things that could be outsourced that would have an impact on personnel. He also noted that it has been a very long time since they have taken a look at the entire organizational tree from the top down in terms of how the Town is structured and staffed. If this was something that the Board wanted to pursue, they could put some money in the budget for 2012 to have an objective third party come in and do this to see if there are any changes or savings that could be made.

There was discussion about personnel. Mr. Clement thought that they should have an objective party look at the staffing levels of all of the Town departments and come back with some recommendations for staffing model proposals. Ms. Gilman can think of a few areas where they might want to consider outsourcing. Mr. Ferraro pointed out that the 4% increase for Library employees is a total merit increase and is not just COLA so it is not completely comparable. Mr. Ferraro wishes that they could give COLA to everyone, but pointed out that things are just not going well these days. He is all for trying to bring equity to the employee groups, but can't see changing the decision they already made. Ms. Gilman has received a number of phone calls about this issue which support giving some sort of COLA to Town employees to keep them here and not have a high turnover. Ms. Gilman asked if they have a right to request re-negotiation with the contracts. Mr. Dean said that they do not have wage re-openers in the contracts, but could ask the question. Mr. Ferraro said that they are in the process of negotiating the DPW contract now.

Mr. Clement said that 90% of the employees in Town will be getting a COLA increase while the other 10% won't so they have inadvertently created a situation where there is an inequity. They should go back and ask the unions to reconsider and talk about how to bring this under control. Mr. Clement suggested putting a warrant article together that asks the voters of the Town if they would agree to provide the employees of this Town with a COLA increase as of July 1st. Mr. Quandt would like to know if other Towns have done this and what the ramifications would be. Mr. Aldrich does not think anything prevents them from doing it. Mr. Ferraro believes that this is a management issue that the Board should take care of. Mr. Ferraro suggested giving a COLA only to employees who don't step. Mr. Aldrich felt that this would create more problems in terms of the salary table.

Ms. Gilman moved to reconsider the COLA adjustment for non-union employees. There was no second. Motion fails.

Mr. Dean will look into approaching the unions. Mr. Dean commented that he knows some other communities have offered a COLA if the net increase to the budget can be zero. Mr. Clement said that

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this was essentially what his motion was last week.

There was discussion about the open positions. The heavy equipment operator position has been vacant since near the end of 2010. Ms. Perry could have hired someone on July 1st but did not do that. Ms. Gilman would like to know how much overtime there was for these tasks compared to the cost of the position. There may be a recommendation coming from DPW for an assistant engineer position at some point but this will be a different conversation.

Mr. Ferraro moved to strike the heavy equipment operator position from the budget. Mr. Quandt seconded. Vote: Unanimous

Chairman Aldrich pointed out that it has been awhile since the Police Department has been fully staffed. Mr. Clement pointed out that it takes awhile to get people trained and on staff. There is no coverage while they are being trained. Mr. Quandt wants to avoid any layoffs. There was a feeling that they would rather eliminate open positions than cut current positions. Mr. Clement pointed out that if they do the structural organization study discussed earlier, it would indicate whether the department is over staffed or understaffed and adjustments could be made later on.

Mr. Clement moved to eliminate one full-time patrol position from the Police Department. Mr. Ferraro seconded.

Ms. Gilman asked if the contract requires a minimum number of officers. Mr. Dean said no. Staff level is determined by management. **Vote: Unanimous**

Mr. Aldrich will look into getting some quotes and start the conversation in terms of the process for an organizational efficiency study.

b. Old Business

i. Collections Operations Follow-up

Last week Mr. Dean presented several options for supporting Tax Collection by either moving current personnel or adding personnel. The Budget Committee had a similar discussion about this last week and passed a motion to recommend moving the Receptionist position to Tax Collections to help support that function. Mr. Dean pointed out that much of this is driven by the concept of isolating the Tax function from the Finance function. He read the current job description of the Deputy Tax Collector. The effort is to clearly delineate this as a higher level, supervisory position responsible for reporting, reconciling and supervising collection staff. There is another position of Collection Specialist which would work the window, handle day to day processing of payments and create the reports that the Deputy Tax Collector reconciles to. He pointed out that currently this one person department collects about 30 million dollars in tax revenue annually as well as about 10 million in water and sewer receivables. Mr. Dean doesn't really believe that doing nothing is an option, but it is always there.

Chairman Aldrich pointed out that the Budget Committee is clearly not supporting the \$8,000 or \$9,000 it would take to add a part time person. They have made some compelling arguments to try something else and are supporting the idea of moving the receptionist. There is a lot of public support for maintaining the reception function. The current phone system is not user friendly. There has been much discussion over the past several days on a way to retain the reception function and provide support to tax. There would be some changes. There is a way to create a phone system that has an electronic greeting with options but which has an option to speak to the receptionist. This would hopefully reduce the number of phone calls going to that position but still retain the option to speak to a live person.

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There is also the consideration of physically moving the reception function into tax collection. It is not thought that this could happen within the current tax collection area, but this would not require significant changes either. A couple of people may need to move or trade places in order to create a space where collections and reception can happen together. Mr. Clement said that the current phone system is archaic and they need to get something better. He also feels that utilizing existing resources will provide additional savings in the budget.

After talking to a lot of people, Chairman Aldrich explained a compromise plan that they have come up with. It would take the Deputy Tax Collector out of her current space and move Collections/Receptionist down to the area that is currently the Assessing Office. The office out back would provide space for the Deputy Tax Collector or meetings. If the goal is to separate Finance and Collections, this would be a great opportunity to move Finance across the street into the basement of the Town Hall. They had previously been talking about moving Planning & Building and the renovation numbers are based on this. Renovation costs would be significantly less to move the Finance Department because they are a smaller department and could utilize the existing space. Assessing would move to where Finance currently is. The thought would also be to upgrade the phone system to one that is more user friendly with options, but yet still has an option for reception. There are some costs out there for moving people around and there will be some savings as well so it could be close to budget neutral in the end. Mr. Ferraro likes the idea. Mr. Quandt would like to hear what IT thinks. Mr. Dean and Mr. Aldrich will work out an agreeable time line and costs to implement this and come up with a more formal proposal. It seems to be a workable plan that could be effective fairly quickly. Financially and operationally this solves a lot of issues. Mr. Clement pointed out that it also addresses some of the material weaknesses cited in the audit.

Brian Griset provided ideas on potentially transferring some job responsibilities pertaining to reporting and audit requirements within the previously discussed positions.

ii. 2012 Personnel Plan Discussion

Ms. Gilman and Mr. Ferraro have submitted comments on the proposed final draft of the personnel plan. Most of Mr. Ferraro's pertained to wording clarifications and were not substantive. Ms. Gilman's comments were mostly editorial and organizational in nature. Mr. Ferraro questioned paid bereavement leave for part time employee because the Town doesn't provide any of the other benefits for part time employees. This would be a new benefit. Donna Cisewski said that most communities include part time employees in the bereavement section. If they were scheduled to work that day, they would get paid bereavement leave for the number of hours they would have worked. She supports the plan totally as is. The committee and other contributors have spent many hours making sure that State, Federal and Town policies are updated, as well as trying to make minor enhancements to it. They have done their due diligence in putting together a much better plan that has only had minor updates since 1968. Chairman Aldrich said that there has been some excellent conversation amongst the committee, staff and Board of Selectmen. Everyone's ideas were considered, but not everything was included in the final draft and that is part of every process. It was a daunting task, but looking back it was a good process and many people had a hand in shaping this.

Mr. Quandt moved to approve the new personnel plan as presented with the minor amendments that Ms. Gilman and Mr. Ferraro have proposed. Mr. Ferraro seconded.

Mr. Dean wanted to thank Donna and the Board for all its efforts in pulling this together. The plan will probably be revisited once a year going forward. It is the nature of human resources that things will come up that will need to be addressed from time to time. They will take the next 5 weeks or so to print

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it, finalize and get it out to employees. The thought process is that it would be effective January 1st.

Vote: Unanimous

7. Regular Business

a. Bid Openings – None

b. A/P and Payroll Manifests

a. Accounts Payable and Payroll Manifests

Mr. Ferraro moved to approve an accounts payable warrant for checks dated 11/18/2011 in the amount of \$71,867.56. Mr. Quandt seconded. Vote: Unanimous

Mr. Ferraro moved to approve a weekly payroll warrant for checks dated 11/16/2011 in the amount of \$164,582.97. Mr. Quandt seconded. Vote: Unanimous

Mr. Ferraro moved to approve an accounts payable warrant for a check dated 11/21/11 in the amount of \$5,000 for consulting services. This is the Heritage Commission's grant. Mr. Quandt seconded. Vote: Unanimous

c. Budget Updates

There are 6 payrolls left in the fiscal year. Mr. Dean has asked department heads to submit their proposed encumbrances by December 1st to provide adequate time to consider those.

d. Tax Abatements & Exemptions - None

e. Water/Sewer Abatements - None

f. Permits

Chairman Aldrich read the details of the pending permit applications. All are non profits with requests for fee waivers.

1. Evening with the Arts is looking for permission to place their A-frame sign at the intersection of Hampton Road and Guinea Road on Monday, November 28th. They will remove the sign immediately after the concert on December 2nd. They have 4 concerts scheduled throughout the year.
2. Request for use of the Town Hall with stage use on May 12th and 13th for the Exeter Center for Creative Arts for Seacoast Idol Auditions
3. Request from Musical Arts for music recitals in the Town Hall on May 15th through May 19th
4. Request from Musical Arts for music recitals in the Town Hall this year on December 13th through 17th in the evenings
5. Request from Carol Scoggins representing the Boys Scouts of America for use of the Town Hall on December 18th for an Eagle Scout Ceremony
6. Request from the Oyster River Players for use of the Town Hall for their annual play April 29th

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through May 6th. The show is May 4th, 5th and 6th.

Mr. Clement moved to approve the permits as requested. Ms. Gilman seconded. Vote: Unanimous

Mr. Ferraro reminded the public that they need to get permission to place their signs or they will be picked up by DPW. He also feels that in the future when they approve permits they need to be more specific about how many signs they will have and where they will be placed.

g. Town Manager's report

Mr. Dean was happy to report that the recent Women's Club craft fair event was a success. Congratulations to the Blue Hawks for winning the football championship game on Saturday. It was a great game and fun to watch. The Festival of Trees will be on December 1st and the annual Christmas Parade is on December 3rd at 5:30 pm. Mr. Dean will have the forms from Primex for review next week.

h. Legislative Update – None

i. Selectmen's Committee Reports

Selectman Ferraro attended a Budget Committee meeting last Thursday and so was unable to attend the Planning Board meeting.

Selectman Quandt announced that the Cable Committee meeting scheduled for December 1st has been cancelled due to a schedule conflict. It will be rescheduled.

Selectman Aldrich said that the Arts Committee met this evening.

Selectwoman Gilman had a Historic District Commission meeting during the Budget meeting. They have one application for a building owned by the Academy on Spring Street to review. At the next meeting she will be giving instruction on how to read architectural drawings.

Selectman Clement announced that the Council of Aging met last week. They will be producing their monthly newsletter again starting next month.

j. Correspondence

1. Email from Tim Gramolini on taxes. They have a request from Mr. Gramolini to waive interest on his 2007 tax bill. There was a family member living in the home and due to an oversight the bill was not paid. There were some extenuating circumstances with this. It is one of 2 liens from 2007 with an issue due to incorrect filing and this is an opportunity to clear it up.

2. Email and attachment from Mr. Ward regarding the Train Station paid parking proposal which summarizes all of the work that he did over the course of the past couple of months on this and Mr. Dean's response to it

Chairman Aldrich said that it is the time of the year when they need to choose who they will dedicate the annual Town report to. Anyone with any ideas or input please speak to him soon.

8. Review Board Calendar

The next regular Board of Selectmen meeting will be Monday, November 28th at 7:00 pm.

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9. Adjournment

Mr. Quandt moved to adjourn, seconded by Ms. Gilman. Vote: Unanimous

The Board stood adjourned at 10:17 pm.

Respectfully submitted,

Jennifer Mancinelli
Recording Secretary