

FINAL MINUTES

BOARD OF SELECTMEN MEETING

MINUTES

August 24, 2009

1. Call Meeting to Order

Chairman William Campbell convened the meeting at 7:00 pm in the Nowak Room of the Town Office Building. Mr. Campbell introduced the other members of the Board: Ms. Julie Gilman, Mr. Bob Eastman, Mr. Matt Quandt, Mr. Bobby Aldrich, and Town Manager Russ Dean.

2. Public Comment

Alan Bailey, Green Street, asked about the status of the 2008 audit. Mr. Dean stated that there was an initial meeting with Melanson & Heath last week; they have a couple of outstanding items that they would like Doreen and Ms. Rockburn to follow up on, and as soon as those are completed, they will return. He noted that more is being done internally this year as opposed to having the auditors do it all. Mr. Bailey wanted to know a timeline and Mr. Dean said it might take a couple of weeks. Mr. Bailey inquired about the liens not being filed with the county for the year 2007, and what might the ramifications be. Mr. Dean stated that at this stage he didn't see any major ramifications, but is working with the council and the legislative delegation to perfect the liens. Mr. Dean said it would be a special legislation to allow for the liens to be perfected, it would be a special act as opposed to changing a state law. Mr. Bailey asked about the amount of delinquent taxes in August of each year for the last five years. Mr. Dean replied that he was not sure they were available. Mr. Bailey asked if there was a monthly reconciliation report being done by the tax collector. Mr. Dean said that under regular circumstances they would be available, but it's been challenging. Mr. Bailey was concerned about the amount of taxes due, he stated that at the beginning of this year it was over \$4,000,000. Mr. Bailey is also concerned about the term "Charter." He is concerned that Mr. Dean belongs to the New Hampshire Municipal Managers Association (NHMMA), he thought it might promote a form of government to get rid of Selectmen or move to some other form of government, and should we be funding the Town Manager belonging to such an organization. Mr. Campbell did not know about this. Mr. Bailey asked if there was a movement to have a charter. Mr. Campbell had not heard any talk about changing the form of government. Mr. Dean responded that the NHMMG is composed of managers and administrators from throughout the state, with a combination of different administrators and managers, the vast majority of which work on Board of Selectmen Committees.

Mike Mezonotti spoke next and stated that at the end of last week's meeting, there was a compelling statement that in the Town we have to go by the meters. After talking to some New Hampshire licensed plumbers, he found out that the meters are complicated and the process is not just directional flow, its flow period, these meters do not just track one direction. Mr. Campbell stated that there is a check valve to prevent the water from going back into the system to prevent contamination of the town's water supply. Jim Knight, plumber/contractor commented that about 78% of the homes in Exeter do not have watts #7 which is a double check valve, so it is possible to get reverse flow.

Mr. Mezonotti was also concerned about Mr. Dean's comment that in 1983 the Town appointed the Town Manager to also fulfill the role as the Tax Collector. There is concern in the private sector that the significant importance of collecting taxes on-time and with the budget shortfalls, that it may be too much for the Town Manager. Mr. Dean responded that the Manager/Collector

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model is only used in one community in the entire state of New Hampshire, which is Newport, with a population of 6,000, where it might be possible to wear both hats, but in Exeter, we have a \$19 million dollar business. The Town Manager is a separate position and the hybrid model probably wouldn't work for a community of this size, and it may be an archaic model and should be reviewed.

3. Minutes and Proclamations

- a. Minutes from the past two weeks are still being worked on. There is a new Recording Secretary, Linda Baresich.

4. Appointments- None

5. Department Reports: Building Department

Doug Eastman, Building Inspector, gave an update of his accomplishments since January. In March he attended a Construction Site Safety course for OSHA 10, resulting in certification. He was elected to the Board of Directors of the New Hampshire Seacoast Building Officials. He received a \$1,000.00 scholarship from the New Hampshire Building Officials for the International Code Council Conference in Baltimore, Maryland which will be attended on November 1-4. He is continuing monthly meetings in Concord with the New Hampshire Building Officials. Updates on permits: Compared to last year we are very close, 367 permits issued YTD, last year was 444. Estimated construction costs YTD is \$9,779,000. Collections in permit revenue, is \$69,697, last year was \$64,500, so building revenue is higher this year. A Certificate of Occupancy was issued to the Fairfield Inn, a grand opening will take place on September 2. Larger projects are Riverwoods, looking at completion in the fall of 2010. A permit has been issued to the Hampton Inn at the old McDonald site on Portsmouth Avenue, and they expect to break ground in a few weeks. The PEA project, which is the boiler plant at Phillips Exeter. Hospital renovations, about \$1.5 million in the reception area. Cobham in the Industrial Park is expanding. Sigarms is expanding next to them. A few houses are being planned. Interior renovations on single-family homes are up. Julie asked if there was a process for documenting complaints or violations and Doug said yes, especially zoning violations. The building code in the town ordinance needed to be changed, Section 22 referred to the Boca Building Code, but it does not exist anymore. Bob Eastman asked if it says "as amended by the town ordinance," and Doug said no, but it is stated in the zoning ordinance. Mr. Eastman also mentioned he didn't realize the fee schedule was in the town ordinance. Mr. Dean noted that he heard that chapter 22 requires a Selectman's amendment, not a Town meeting. Mr. Campbell noted that it seemed like we are doing well in the commercial arena. The tennis facility got conditional planning approval for parking relief.

6. Public Hearing - None

7. Discussion/Action Items

a. Review of Revenues of 2009

Mr. Dean stated that an updated report was run on August 21. Major categories include: Interest penalties on taxes, projected \$130,000, \$101,996 YTD. Motor vehicle permit fees initial budget was \$2,150, revised slightly, \$1,242, which is 60% of the total estimated. Building permits: \$150,000. Intergovernmental revenues, \$284,000, will not realize, suspended. Meals and rooms tax distribution is on target to be funded at about \$650,000. Highway block grant estimate at \$256,000 based on a letter from DOT, thus far received \$103,168, the final 2 payments will be raised. Water pollution grants, quarterly payments, \$44,803. Catchall: workers' compensation reimbursements and other grants will be

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re-looked at later in the week. Local revenues: just booked more blue-bag revenues. Income from departments: EMS fees and solid waste fees which make up 75% of that category. Other revenues: interest in investments, meeting with the treasurer tomorrow. From special revenue funds is the importing money from transportation fund to pay for transportation program, comes from fee paid to town clerk office, within target range YTD. Several one-time revenues, transfer in from the rec revolving fund, expected surplus from that fund, Mike Favreau stated, is on target. Transferred in from landfill closure fund, have not requested that money yet. FEMA reimbursement from December 2008 storm, realized 80% of that revenue YTD. Police officer grant application was not approved. Still awaiting Department of justice funds through federal government, \$24,752 has been approved. Land use change tax for the Boulders project was \$72,025, billed. Stimulus FEMA Stockbridge culvert project, capital reserve fund offset, \$101,250. Unreserved fund balance is unknown. We will submit the MS4 document, due September 1. Mr. Campbell stated that interest penalty on taxes is up, is that because we're getting more from 2008, and before taxes. Mr. Dean said the actual of \$115,727 is a typical year, and the answer is yes. Mr. Campbell asked how we are doing collecting taxes from the July 1 billing, his understanding was that we billed a little under \$5 million and should the Town be getting \$4.8 million. Ms. Ravell said we collect the entire amount and we pay the school whether or not we get paid. Mr. Campbell asked how much of the \$17 million is still owed and Mr. Dean said in 2008 it was \$550,000, and \$700,000 for 2009. Ms. Ravell said the total outstanding was, \$1.3 million. Backing out the \$550,000 for 2008, we're still owed \$700,000 or \$800,000 for 2009. In the past 2 weeks, \$435,000 was collected. Mr. Campbell wanted to know how we are doing for all years. The total outstanding was \$1.3 million. Ms. Gilman asked if the rec revolving fund should be counted as a revenue source and Mr. Dean replied that this is an annual discussion, it would take a motion by the board to follow through and make it part of our revenue structure.

b. Property Values Update

Mr. Campbell stated that the Board does not need a vote if they want to leave the assessors' values current, based on 2008, however he would like a consensus from the board. The Board members expressed agreement to leave the values at 2008 amounts.

8. Regular Business

a. A/P and Payroll Manifests

Mr. Aldrich moved to approve Accounts Payable warrant dated August 21, 2009, in the amount of \$459,950.65. Mr. Quandt seconds. Vote: Unanimous.

Mr. Aldrich noted that the big ticket items in this warrant were to Bell and Flynn for paving, \$30,000, water tank project, \$172,000 to Coldwell Tanks, Underwood Engineering for water tank was \$33,000, Waterline Industries for the water tank, \$21,000, Gilman Stadium project was \$28,000, the Mosquito control contract and \$17,000 worth of blue bags.

b. Budget Updates

Mr. Dean updated the Board on wages and benefits, the town is on target, 19 payrolls left, 63% spent on benefits and wages. Few accounts were unknown. Legal will need more funding, and snow and ice has exceeded its 100%. Things are trending as expected.

c. Tax Abatements and Exemptions- None.

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d. Water/Sewer Abatements

Ms. Gilman stated that Mr. Mezonotti's problem has been a long-standing discussion with lots of effort and due diligence. There is a number that shows average gallons, she proposes to use average gallon and subtract from the spike. Mr. Mezonotti has been abated about half of that, so the proposal is to abate the amount between the spike and the average use of 16,021 gallons.

Ms. Gilman made a motion to abate the usage on this bill to 16,021 gallons from June 28, 2007 to September 28, 2007 and to waive the penalty fees. Mr. Quandt seconded. Vote: Unanimous.

Ms. Gilman spoke on Mr. Hamel's case. There is a memo from Mr. Berube counter-arguing from last week. In May Mr. Hamel had to turn off the outside spigot. Mr. Berube feels that water was dripping from the cold months and could have frozen. A Possible cause for the o-ring being pushed out, could have been expansion. He feels the fill tubes in the toilet tank were set too close to the top of the overflow tube. Service responsibility starts at the water main and stops at the curb-stop to the property. Mr. Hamel said that the house is only one year old and everything was set in accordance, they all went up $\frac{3}{4}$ inch. He feels it's a pressure problem. Everything was isolated and the meter was still registering flow. The only way it could possibly freeze is if someone left a hose on. The valve is an isolation valve and there can be no flow whatsoever. Watts #7 are not required to be tested. Mr. Hamel noted that this was while the new water tower was going online. There was no bill for 4 months, so it was dated 30 days after the reading, and it was \$900, 90,000 gallons. Another reading was performed shortly after that bill and it was still large. Mr. Aldrich asked if usage for the October 31, 2008, billing was 25,350 gallons. March 12 was 90,750 gallons, a 65,000 gallon difference. Mr. Aldrich asked what could be some of the conditions that would cause the meter to show flow while the house is isolated. Backflow could be part of it, or if there is a malfunctioning meter. Mr. Hamel said he did nothing wrong and now has a large water bill. Watching a meter turn when no one is using water is wrong. Ms. Gilman said she would like to schedule soon and will continue to look at this problem the Monday after Labor Day.

e. Permits

The Department of Public Works would like the use of Town Hall for the Town Engineers on September 16, 2009, from 6 p.m. to 10 p.m., for an informational meeting on the sewer inflow and infill elimination project, the public is invited.

Ms. Gilman moves to accept this application. Mr. Quandt seconded. Vote: Unanimous

f. Town Manager's Report

The town has engaged the firm of Coppola, Rockburn to do work on the audit and financial issues. We expect to see results in this years' audit. The public meeting on water supply moved to September 8, 2009 at the high school auditorium. DES will host and report on the dam removal study, the pump tests will show what the solution will look like. Water supply and sewer treatment are our largest issues. The Gilman easement is in the final stages. Easement agreement should be ready in about a week.

g. Selectmen's Committee Reports

Mr. Aldrich reported that The Arts Committee met last week and a show will open at the end of September, painting classes will start concurrent to school beginning

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Mr. Quandt said the cable committee met yesterday, hoping to see a proposal soon.

Mr. Eastman- nothing to report

Ms. Gilman will attend an energy meeting tomorrow at 7:30 p.m., to discuss hydro-power. Research is being done and they will familiarize the group on micro hydro generators. The Heritage Commission meeting is next Wednesday. The “Alien” festival is September 5.

Mr. Campbell reported that there will be a Planning Board meeting this Thursday.

h. Correspondence

1. Driveway permits taken care of.
2. Letter from Doug Eastman
3. Agenda for planning board.
4. Letter from NHDES rejecting appeal of a permit.
5. Town clerks revenue report.
6. 91A request from Mr. Knight

9. Public Comment

Mr. Bailey was concerned about water and sewer revenues and if it goes into a general fund. Mr. Dean replied that there is an operating account that pools all cash. Ms. Ravell commented that the cash may be pooled, but the accounting is maintained in separate funds. Mr. Bailey was also concerned about the lockbox. Ms. Ravell said they were implemented during the month of May for water and sewer and taxes, 15-20% of the taxpayers used it. Ms. Gilman asked Ms. Ravell to explain exactly what a lockbox is. Ms. Ravell stated that they are contracted by Citizens Bank as a processing or clearinghouse for all payments going to the Town and it posts the same day. Mr. Bailey stated that there was a discussion about taxes not being filed for 2007 and wanted to know who is pushing the legislation. Mr. Dean said that it is being looked into now. Mr. Bailey wanted to know who the auditor is, and Mr. Dean stated it is Melanson & Heath, a firm out of Nashua.

Mr. Knight was wondering what the status is for the shovel-ready projects passed in March for the special Town meeting, and Ms. Gilman said a schedule is being worked on. Mr. Dean said the design work for the industrial culvert is complete. Mr. Knight was concerned about the cost, and Mr. Dean replied that he is expecting it to hold. Mr. Knight asked what the total for stimulus money is, and Mr. Dean stated that preliminarily it was \$270,000, but has increased to \$380,000. Stimulus funding available is \$135,000, so the sewer fund will make up the difference. Mr. Knight was concerned about additional complications and will the voters be asked to approve another appropriation if that is the case, Mr. Dean said yes.

10. Non Public Session

Mr. Eastman motioned to move the Board into the Non Public Session under RSA 91: a (3) (2a) employee compensation at 8:33pm; Mr. Aldrich seconded. Mr. Aldrich called the roll.

Mr. Eastman, aye; Ms. Gilman, aye; Mr. Campbell, aye; Mr. Quandt, aye; and Mr. Aldrich, aye.

11. Adjournment

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The Board emerged from non-public session and Mr. Eastman motioned to adjourn at 10:05 p.m.; Mr. Aldrich seconded. VOTE: Unanimous.

Respectfully submitted,

Linda Baresich
Recording Secretary