

BUDGET RECOMMENDATIONS COMMITTEE

October 21, 2016

DRAFT MINUTES

1. Call to Order:

Chair Corey Stevens called the session to order at 8:47 am.

Introductions of members and staff present: Len Benjamin, Michael Pelletier of the Assessing Dept., Niko Papakonstantis, Fran Hall, Bob Kelly, Christine Soutter, Corey Stevens, Chair, Bill Campbell, Vice Chair, Kathy Corson, Peter Lennon, Judy Rowan, Russ Dean Town Manager, Laura Hill of the Finance Dept., and Doreen Ravell, Finance Director.

Selectmen present were Don Clement, Dan Chartrand, Chair, Julie Gilman, and Nancy Belanger.

Minutes of 7/27: there were no suggested revisions. Mr. Kelly moved approval as submitted, Mr. Lennon seconded and there was unanimous approval.

Michael Pelletier, Assessing, gave an update on projects coming up. In 2017, as a conservative estimate, increase of \$17M+. 2017 projections for next budget year (2018). Chestnut Street project about half finished, which accounts for \$4.5M, estimate on completion is \$9.3M. Those revenues won't show up until 2017. Average annual increase is 0.82%, averaged back to 2009.

He went over the total assessment figures for 2016 and the Increase is close to 2%. Mr. Dean said that accounts for both residential and commercial. Also that is net taxable value, not a gross number. Credits and exemptions play a role in that too. There is \$32M in value that is not taxed. Any new development in TIF over past year has been captured as assessed value.

There was detailed discussion on the reported figures, with questions of members and answers provided by Mr. Pelletier and Mr. Dean. Mr. Dean responded to bond questions and retiring of outstanding specific bonded projects.

There were no other questions of Mr. Pelletier. Mr. Dean reported revenue projects on next fiscal year. The Town is uber-dependent upon property tax revenues. Saw an uptick in state tax revenues this year. Prior year rate has dropped by 38%. Seeing some

categories growing: rooms and meals, Town Clerk revenues (fees) up \$2.5M, and about a 5% overall increase in revenues. He expects that trend to carry forward into next year.

There was discussion on building permit revenues, which fluctuate.

There was discussion on tax rates and Mr. Chartrand raised the issue of Town working hard to lower the tax rates. Mr. Campbell said water & sewer has been very high. Mr. Stevens discussed how the rate is managed and lowered, perhaps the expense side has not been looked at as well as it could. Mr. Dean explained that the budget is scrubbed every year but might do better. Keeping a steady hand on things puts the Town in a good place.

2. Review of 2017 Budget Proposals:

Planning/Development: (Planning, Economic Development, Inspections/Code Enforcement, Historic District Commission, Heritage Commission, Conservation Commission, Zoning Board of Adjustment)

David Sharples, Town Planner, presented this segment of the budget review. Subcommittee Chair Ms. Soutter reported that part of the year contracted out for planning services until Mr. Sharples came onboard, so contract services portion of this budget was high for the past year due to that.

Mr. Sharples reported that contract services would be lower. Ms. Soutter discussed GIS software expense of \$5K, anticipating getting that going. Mr. Sharples said just rolling the software on line 3 months ago, and have \$3k annual expense on it. Next year, the \$3500 figure includes IT in-house at \$500 for things not covered. No additional modules coming this year.

Mr. Kelly asked if the Town needed third party review of projects any more with Planner and Town Engineer qualified on it. Mr. Sharples said he is not an engineer and that outside engineer is helpful. Mr. Kelly said that current Town Engineer is very capable and should use his services in-house more. Wright Pearce was recommended by both him and the DPW Director. Mr. Campbell said he did not think the Town Engineer would have time for all of this. Mr. Dean said the DPW Subcommittee should talk to DPW about these issues and backgrounds. Mr. Kelly said he isn't trying to micromanage, just wants the internal resources used first, and then go outside. Mr. Stevens asked if they used in-house services, would Planning owe DPW money to offset the costs. Mr. Kelly said it would be a Town employee. Just wants them to use the resources they have

available. Conversation with Town Engineer is enough, so it's not a vacuum they are working in.

Ms. Soutter said small reduction in education and training portion. Partial year of Planner onboard might affect that. Investment in polishing up our downtown is important aspect of this. She supports those improvements, which represent the entire Community. Nice first impression is worthwhile and showcases that area. Hopes Town will continue upon that course. Need places for folks to sit and lockable bike parking, that amount in budget is worthwhile. Mr. Lennon initiated discussion on how much is enough, rather than more is better on all aspects of this approach. He suggested the Downtown has needs, but maybe we will reach a limit. The \$20,000 is not a lot, but pursuing sponsorships would be great on this, perhaps Economic Development Director could pursue that, to lower outlay of costs directly.

Mr. Sharples said that \$11,900 is for benches downtown. Mr. Campbell said that he'd like to see where benches might go. Some merchants have put them out on their own and sandwich board signs. Benches might crowd the sidewalks too much. Ms. Corson said there's a map about locations and it is revealing. More sidewalk is in place now. She wanted to know how sponsorships work. Mr. Sharples said he had not looked into that. She said that maybe a \$5K sponsor would be good. Ms. Hall said that sponsored benches are everywhere but this \$20K might not be as well thought out as it should be. Concept is fine, but impact might be too high. There was discussion on the locations and program, perhaps phasing them in rather than do all of them at once.

Mr. Sharples said Town Manager, Recreation Director and he all walked the downtown to assess issues. Some areas have plenty of room, some not as much: tree wells, mailboxes and such limit it. They need to be strategic in placements and be sure that sidewalk plows have room to get by. They can reduce number for sure if want to. They are for resting and regrouping while shopping etc. Been to other communities to see what they've done. Wouldn't add any more to this plan, but could take some out. Ms. Hall said she would not want anyone sleeping on them, nor gang hangouts, smoking areas, etc. A lot of implications that might affect having them at all. Needs to be thought out. Not opposed to them, want it well thought out. Ms. Hall wants to see sponsorship issues, design, locations, and ordinances. Mr. Stevens didn't think that those issues pertain to BudCom work-it's micromanagement of this. Mr. Dean addressed any change in the budget on this is not necessarily going to alter all the figures.

Mr. Kelly said that doesn't want to micro manage this issue, have a professional planner on board. Have a large amount for DPW sidewalk improvements still coming. \$20K to

act on this in improving the Downtown is worthwhile. Go to Planning Board/Dept. and dispute this if want to.

There was discussion on detailed program explanation by Mr. Sharples. Mr. Lennon asked if phasing it might not be a good idea. If some committee members aren't comfortable with aspects of this, Bud Com should settle on some number under 17 total to both start it and yet limit it. Mr. Campbell could go for a lesser amount.

Mr. Sharples responded that there are graduated prices. Did price it that way, but not a major change in costs. Mr. Lennon suggested that half of the \$11,900 amount is a good approach. Ms. Soutter said the approach and documentation on it was appropriate and well done, won't second guess it.

Ms. Corson thinks should add sponsorships money so cut the budget amount even though it's short money. Mr. Chartrand said that appreciative of the improvements downtown. What we did there is to create a perception that Town cares about itself and customers to book store have said that bookstore is amazing, but he said it's the improvements that have done that, nothing he did. Go with the full improvement of benches and pop the jewel into the setting. Downtown will pop with that. Coming off 7 really difficult years, tough years for everyone. Very small amount of money here will have an incredible multiplier effect. Mr. Clement said that he likes the uniformity of benches to go in. Swasey Parkway benches weren't. This approach is good one. Sponsorships might make benches differ and that's not good. Crawling before we walk is not a bad idea. If going to do it, and it has merit, uniformity would be great.

Discussion was held on matching benches that DPW supplied, trash receptacles with some recycling and trash. Mr. Stevens urged a decision on support of this. Ms. Soutter said that sidewalk work was for safety and nice appearance too. Some improvements are for segments of users like elderly. Mr. Lennon suggested voting on whole package. Mr. Stevens said don't want to vote on it unless going to change it. Mr. Campbell moved reduction of \$20,000 down to \$10,000. Mr. Sharples said it's all about placement, width and locations, would spread them out and if added more next year, would have to move these. It wouldn't be phased physically. There was no second to Mr. Campbell's motion, so it failed.

Planning budget line 5681, GIS software \$5K, Committee recommended reduction to \$3500, and Mr. Kelly moved it, Mr. Lennon seconded and the vote was unanimous. Ms. Hill: Planning Total Benefits: \$50,361. General expense: \$35,052. Total: \$263,514. That

amount was moved by Mr. Kelly, seconded by Ms. Rowan, Ms. Hall abstained, and otherwise the vote was unanimous.

There was significant discussion on the Planning initiative for the Complete Streets project proposal, where street designs have focused on cars, but now shifting to every use of streets, bikes, pedestrian, public transportation, and vehicles. The discussion included integration with the Master Plan. The matter was deferred to the upcoming CIP discussion session for now.

There was discussion on the Mr. Sharples said the transportational alternatives program, for things like sidewalks. Three gaps in existing sidewalk network: one on Spring St where there are gaps, one on Winter St where it just ends, and third one is on Epping Road, where there is a sidewalk that doesn't go anywhere. This proposal would connect that. TAP grant application is for 80% funding, with \$545,000 as the total project cost. Town Share would be 20% of that. We only ask for the \$108K, but budget for entire amount of \$545K, rest to get reimbursed if granted. It's a very competitive grant. He will do a warrant article for it.

There was more discussion on safety, pedestrian uses and walking the town. There was discussion on the figures for sidewalks. Mr. Campbell said could use \$600K for sidewalks. \$120K per year approach is a good one to avoid large amount actually needed. Mr. Dean said if \$120K is approved, will go into the account for overall improvements and DPW will draw off that.

The Chair addressed miscellaneous budget matters. Motion to approve Historic District Commission budget of \$19,685 was made by Ms. Rowan, seconded by Mr. Benjamin, and unanimously approved. No questions arose on Zoning at \$3,429. Mr. Lennon moved it, Mr. Campbell seconded, and the vote was unanimous.

Heritage Commission was asking for extra \$2500 as 10% of grant application for an historic property survey. Ms. Gilman said the \$2500 is max Town amount on this. Mr. Kelly asked if this would be applied for next year. Ms. Gilman said letter of intent is due in November 2016. If no grant award is won, \$ would go into the general fund. Discussion on uses and Historic Commission budget ensued. Ms. Gilman said that the Commission could expend it even if no grant award. This is 2/3 of requested budget. Mr. Dean said that RSA's say any surplus in the budget goes into a Heritage fund for Heritage Commission use. It's a reserve fund. Ms. Gilman said not sure about of amount in the

fund. Mr. Stevens asked if this amount could be used for contract services. Ms. Gilman said that the amount was cut in half from the requested amount last year.

Ms. Ravell said she doesn't have those figures in her system as the fund is separate from Town funds. Ms. Gilman said it's about \$900, not \$9,000-she misspoke on that amount. Discussion was held on that fund, its possible uses and application of the funds. Mr. Dean said the law has a mechanism for that fund to exist and be managed by the Commission. Mr. Kelly said he is interested in the grants awarded. Ms. Gilman has gotten all grants that she has applied for. He recommends that HC fund be made more official. Ms. Gilman said the current \$10,500 grant application is unlikely to be awarded to Town. Mr. Kelly wanted use of that money to go to other uses if no grant awarded.

Conservation Commission: Kristen Murphy, Natural Resources Planner. Roadside mowing was increased. Contracted services was increased. In 2016 Line 5200 increased, but inter-dept. transfers offset Line 5200. Ms. Murphy reported that some interns weren't hired to offset some of the costs. There were no more questions. Ms. Hall moved approval, Mr. Papakonstantis seconded, and there was unanimous approval.

Code Enforcement: The Code Enforcement Officer reported numbers for 2016, with \$277,310 in fees so far, expected to increase. 13 new Single Family Houses this year. There were 712 permits issued so far, about 200 over last year.

Budget basically the same except for salaries and insurances. More inspections occurred and lead to more travel costs of staff. Code updates for annual changes are accommodated. Ms. Hill reported that the new benefits code is \$72,248, with a \$251,606 total. Mr. Campbell moved it, Mr. Lennon Seconded, and there was unanimous approval.

Economic Development with Darren Winham.

Mr. Stevens asked about consulting services. Mr. Winham said that the expenses are for engineering costs on a large project. Not a lot of money in fund now. A developer paid portion of the bond and more engineering for road, water and sewer was expended. There was discussion on finalization of project by end of calendar year. If don't finish it, money doesn't get spent. Mr. Winham said that some funds can be used for market studies rather than engineering. Mr. Kelly said he has philosophical problem with any increase. Realistically won't get anything more by December of this year at this point. End up with \$10K for next year. Didn't spend it this year. He needs resources, but

haven't done anything with it. Perhaps other Town resources have been used to cover the non-expenditures here. Mr. Lennon asked if suggesting reduction to 2015 level? Mr. Kelly said yes, over 1.5-2 years hasn't needed all of it.

Mr. Stevens said that Mr. Winham thought he'd have it spent by now. Mr. Winham said that he'd like to have it available but if doesn't use it, doesn't spend it. If it gets pushed off, then he doesn't use it. Doesn't know from year to year. Ms. Rowan moved change the line to \$2500, seconded by Mr. Kelly, on discussion it's based on historical approach. More data points are needed. Mr. Chartrand said that unspent budget money is used to reduce the tax rate. This line would be a shame to not have the money to create the mechanism for economic development to be enhanced. Budgeted for the TIF which was project driven, needs right developer on the project. Mr. Dean said a number of projects on Epping Rd, type of project in that corridor, need some vetting of project aspects through engineering costs. In any given year, setting aside engineering costs for fleshing out projects is necessary.

There was discussion on how Economic Development uses funds. Mr. Winham clarified uses and types of projects that arise. If have to plug in someone to do a small portion of any project, this fund covers that. Mr. Dean said some challenges might arise on a water and sewer project, for example, where Town can't do that work. We need the money to pay those fees. The general services arrangement is not money in the budget right now. There was discussion on the TIF fund, there is zero dollars in the TIF fund right now, and some is coming in new year, around \$22-23K. Mr. Clement said that TIF money should be used for priming the pump on Economic Development projects. Discussion was held on total TIF commitments now. Mr. Winham doesn't want to dispute \$2500, he could make do with that amount. The figures were clarified. TIF can't cost taxpayers anything. FY 2015 line item 5200 didn't exist but Town spent \$4300. \$1000 for interns is working out pretty well. Last 18 months, especially on Epping Road. Ms. Rowan moved to reduce to \$2500, seconded by Mr. Kelly, on discussion Ms. Soutter asked how difficult it is to get the extra money if needed it. Mr. Dean said his preference is to have it designated available and not have to look for it. Mr. Lennon said it's all about priorities. Pushing system to make priority choices on needs, indefinite amounts. The vote was unanimous to reduce the amount.

The Economic Development benefit code total was \$139,072. Moved approval by Mr. Kelly, seconded by Ms. Rowan, unanimously approved.

Ms. Rowan said that a benefit of more sidewalks would be allowing for parking a little farther away.

Total for Planning Development: \$673,027. Moved by Mr. Kelly, seconded by Mr. Campbell, and unanimously approved.

[Session adjourned by the Chair for lunch break at 12:04 pm]

[Session reconvened by the Chair at 12:36 pm]

General Government:

(IT, Human Resources, Town Clerk, Elections, Town Manager, Board of Selectmen, Transportation, Legal, Trustees of Trust Fund, Town Moderator)

Ms. Soutter:

Ms. Soutter reported on behalf of the General Government Subcommittee of some problems and challenges that IT came up against so far, the need for coverage of tv work and cable so combined the two positions to handle it all. Eliminating part-time tv. Mr. Stevens added that background was that two years ago approved combining. 50% General Government, 50% cable tv, so 50/50 at end of the year. Other IT staff funding was looked at. Mr. Kelly said two years ago added some money to the budget to get help for IT, as its importance has expanded recently. There was discussion on coverage and needs.

There was significant lengthy discussion on the servers and needs there.

They must be able to maintain them if they go down and older equipment can't be maintained. There was also discussion on security matters.

Mr. Campbell said don't need or want a full time person to monitor this. Dispatch has the signal but doesn't necessarily watch it all the time.

There was discussion on location of cameras and the swipe card system. Need new one in Finance. Why not bring it all up to speed and have a record of uses as well? Can do one new security door and bring other two up to same standard and could do bids on it. Can do it for \$2800 total. Total line item was \$210,811. Mr. Campbell moved it, Mr. Lennon seconded. It was unanimously approved.

New benefits total \$30,910, total \$90,262. Mr. Lennon moved it, Mr. Kelly seconded, and there was unanimous approval.

Town Clerk's budget:

Ms. Soutter reported that shelving costs were changed from \$22,875 to final price of \$30K+, so only got smaller of two units this year: \$12,625 (shelving only), next year \$17,875 for remaining shelving. Plus need to add \$5K for restoration of books (so adjusted total is \$17,625 after new shelf adjustment). Card reader needed: from vendor for chips if don't get them town is liable for anything that goes wrong. Only want smaller ones, not expensive ones. Mr. Stevens: Did you ever price it out? Town Clerk, bonded through the state, so if anything goes wrong, liable on it.

Three new readers needed. Computer supplies also needed, over \$500 apiece. No other questions arose. New benefits: \$100,203. New Bond money \$340,072. Mr. Lennon moved approval, Mr. Campbell seconded, and there was unanimous approval.

Elections:

There were no questions from members. No change in benefits. \$19,157. Mr. Lennon moved it, Ms. Corson seconded, and the approval was unanimous.

Moderator:

Salary raise for ballot clerk and moderator. Ballot Clerk was approved. Moderator salary increase. \$25 increase is in line with everyone else. There was a question on whether the Assistant Moderator was paid, and they are paid at \$100/event for elections only. Mr. Campbell moved it, Mr. Lennon seconded, and it was unanimously approved.

Town Manager:

No changes in Subcommittee approval. Benefits \$86,122. Allocations: \$60,453. New Town Manager Total: \$224,521. Mr. Campbell moved it, Mr. Lennon seconded it, and it was unanimously approved.

Board of Selectmen:

Discussion on life insurance. Members can elect to take it. Mr. Lennon, consulting and special expenses update? Special expenses: \$1856. Consulting \$0 through today. There was discussion on place holders, and that they should be consistent. Mr. Kelly suggested they reduce the line by \$500, to make it \$1000. Mr. Lennon moved it, Mr. Kelly seconded, and it was unanimously approved.

Transportation:

No change in this budget. Expenditure total is \$13,460 so far this year (2 quarters). Moved \$26920 by Mr. Kelly, seconded by Ms. Hall, approval was unanimous.

Legal:

Year to date is \$70,360. Mr. Benjamin asked if legal fees have been negotiated. Mr. Dean said 5 years ago most recently and fees have gone up. Mr. Dean said that all fees \$345/hr. specials to \$185 on more general services from the firm. Mr. Mitchell's rate is \$235/hr. now. Labor council is \$315/hr. now. We have two buckets to get it out of: water & sewer and impacts fees. Mr. Benjamin asked about negotiation of the fees and challenging the bills. Law firms expect that now. Mr. Dean said that for an organization of Exeter's size, the legal budget is fairly modest given all. Recent litigations have been concluded. Fair point is part of a consortium of towns dealing with it. About \$2K-3K per month now. Mr. Benjamin said he is not doubting the use of counsel, just the amount. Budget isn't huge but larger than some we've been scrutinizing so far, so should be negotiated. Capital projects involves engineering review on behalf of the Town. Also legal review of same. Interviewed 4-5 firms some years ago and chose Mitchell Group as General Counsel. Ms. Gilman said that can meet without attorney presence sometimes now, if just to have his opinion. The amount of \$80,000 was moved by Mr. Kelly, Seconded by Ms. Rowan, and unanimously approved.

Total General Government: \$1,015,012: Mr. Campbell moved that amount, Mr. Kelly seconded, and it was unanimously approved.

Line 2140: \$108,650. Payroll tax \$109,761. Mr. Campbell moved it Mr. Lennon seconded it and it was unanimously approved.

Unemployment: \$2046: Mr. Kelly moved it, Ms. Rowan seconded it and it was approved unanimously.

Workers Compensation: \$198,872: Mr. Kelly moved approval, Mr. Campbell seconded and the vote was unanimous.

Insurance \$113,529: Mr. Campbell moved it, Mr. Kelly seconded, and it was unanimously approved.

Benefits and taxes: \$420,408. Mr. Campbell moved it, Mr. Lennon seconded, and it was unanimously approved.

Finance:

(Finance/Accounting, Treasurer, Tax Collection, Assessing)

Finance/Accounting:

No changes except new position being proposed for purchasing agent discussed in narrative. Subcommittee discussion, not in favor of it over other possibilities.

Mr. Dean said that some of what you see in budget process drives whether there is a centralized purchasing agent. Preparation of bids, locating suppliers, best local value and working regionally with schools and county to maximize benefits of it. Different departments do different things now. Standardizing contracts would result. Best pricing would result. Uniform purchases etc., would benefit. Larger ticket items on discretionary basis, vehicle maintenance etc., lend themselves to this approach. Don't have that resource today. Mr. Stevens reported Subcommittee felt the pain of discrepancies in proposals. Concerns are how one person knows how to buy the right servers and vehicles and such at \$90,000/yr. Also why not a committee of department heads to buy these things together? Look at how things might be improved before add a position on this. Ms. Corson added that need to know what towns are doing this locally.

There was significant discussion on this proposal, with many concerns voiced and with opposition pronounced.

Final figures for Benefits: 96,258, Water Sewer funds: \$282,685, amounts moved by Mr. Benjamin, seconded by Mr. Lennon, and unanimously approved.

Treasurer:

No changes: Mr. Campbell moved it, Ms. Corson seconded, unanimously approved.

Tax Collector:

\$61, 142 benefits. Water/Sewer \$5,401, total \$106,146. Mr. Campbell moved approval, Ms. Rowan seconded, on the vote, Mr. Kelly voted nay but all others voted aye, so there was approval.

Assessing:

No changes: moved by Mr. Campbell, seconded by Ms. Corson, and it was unanimously approved.

Finance Total: \$606,512, moved by Mr. Campbell, seconded by Mr. Lennon and it was unanimously approved.

Debt Service Number is firm, \$695,796, moved by Mr. Campbell, seconded by Mr. Lennon and approval was unanimous.

Other Business:

Next meeting is with Police and Fire.

3. Adjournment:

There being no further business before the Committee for this session, Ms. Corson moved to adjourn, seconded by Mr. Benjamin with a unanimous vote of approval, and the Chair adjourned the session at 3:50 pm.

Respectfully submitted by David Pancoast, Recording Secretary.