

BUDGET RECOMMENDATIONS COMMITTEE
SEPTEMBER 21, 2016
DRAFT MINUTES

1. Call to Order:

The session was called to order by Chair Corey Stevens at 6:46 pm. The Committee has two less members than last year. This is the start of the review process on the budget and the draft budget has been presented to the Committee.

Members present were Russell Dean Town Manager, Francine Hall, Town Clerk, Doreen Ravell, Finance Director, Corey Stevens, Chair, Anne Surman, Selectperson, Don Clement, Selectperson, Nancy Belanger, Selectperson, Julie Gilman, Selectperson, Kathy Corson, Bill Campbell, Len Benjamin, and interested new member Niko Papakonstantis.

Also present was David Pancoast, Recording Secretary, as were members of the public interested in the process or in being involved.

2. Review/approval of meeting minutes from 7/27/16 meeting:

The Chair said due to new folks these minutes will be considered for approval on the 10/21/16 session.

3. Review 2017 Draft Budget:

a. Presentation by Town Manager:

Russ Dean said that there has been a lot of effort put into it. He acknowledged various staff members as support for his efforts on the draft budget.

Three major funds: general, water and sewer and some smaller funds. General fund starts at \$18M, \$17M + approved by the Town in March. Recent budget trends are to keep it stable. Exeter has accomplished that via a very stable tax rate for a few years. Staff has worked hard to keep their budgets in check. Public Works, Police and Fire total about 70% of the budget. The budget overview gives a good sense of the entire Town operation. Page six wages: there are two open collective bargaining agreements under review: Police and SCIU. The Police Association contract runs through 2017. Non-union wages are 14 step. The Library has its own wage scale done by its trustees. Health insurance fluctuates a lot, so it is hard to gauge it. Each October the pool is rated and each member is rated. [Here the Chair added that when Town gets new numbers, they are injected into the draft budget.] The 7% is in a general government account for health insurance reserves. The increase is part of the \$18,206,075 figure. Mr. Clement asked how confident the Town Manager is in the 7% as he got something on his insurance today that was much higher. Mr. Dean

said that last year they budgeted 7% but it went up 10.25%. Dental rates will go up about 2.5%. Retirement: Group 1 employees are at 11% and Police at 29%, but it is going up. For every dollar of payroll, that percentage goes into retirement account funding. The numbers are forecast in the department budgets.

Beyond the base budget, IT has a request to increase the part time position to full time and the Town's IT storage system needs to be updated, as is a request for computer security. The Town Meeting Moderator's salary is also going up.

The finance initiative is joint but departments do purchasing. There is a proposal for a Town-wide purchasing agent, for regional purchasing, aged equipment replacement, standardizing contracts, and independent position so not listening to one vendor in order to get the best value for the Town. They would purchase supplies, hardware, software, services, etc. depts. are doing it on their own now. Purchasing would interface with Accounting and bigger ticket items would be handled more efficiently. The figure is for the whole position, including benefits. The Finance Dept. budgets for family health plan, not knowing what it will be, the draft contains the higher figure. SAU 16 Superintendent was receptive to this position but cost-sharing hasn't been discussed on it.

Assessing, have contract assessor.

Planning increase by \$36,072, higher salary for the new planner due to his experience. Downtown improvements are involved. No major changes in ConCom or other budgets. Police is down 3.2 % due to new personnel. Prosecutor contract is up a few points. Health Insurance Budget is down over \$50K due to plan changes.

Public Safety/Fire/EMS: Suppression is up a few percentage points due to two new positions. New Substation has been proposed and adding two new firefighters per year for it until total of four are on board. Fire Safety harness is need for firefighters to more safely escape burning buildings. Security upgrades involve a match for a grant request for upgrades. Health has been reduced by \$23,000+ due to lower mosquito control and lower capital outlay.

Public works is up 5.6% due to increases in administration and engineering is about \$65,000. It needs \$33,200 for digital repeater to match Police and Fire communications. DPW needs to be able to talk with those departments. Highway is up. Town wide tree inventory is desired as no good inventory exists. It needs \$20,000 in funds to replace street signs. Snow and ice is level funded. Snow Ice deficit fund exists to help out.

Solid waste is up \$100,000+. Contract expires this coming May and a new vendor may be sought. It's a five year contract with some small annual increases. This is for planning ahead to protect Town from cost of new vendor in actual contract levels.

Three new monitoring wells are needed.

Street lights are level funded at \$150,000. Mr. Stevens asked if the money saved on snow/ice can be allocated to future years on that.
Mr. Dean said that has to be done by warrant article.

Maintenance of buildings is up 3.5%. Departments need to do snow removal from roofs. Need money for contractor to do that special work.
Garage is up due to new full time position. Gasoline fuel costs might be at \$1.87/gal, needs to see if can lock it in.

Welfare and Human Services is down a lot, due to changes in services

Park and Recs is up. Other budgets are level funded. Library is up \$61,000+ due to staff changes.

Debt Service is going down due to retiring older debt.

Vehicles is up \$26,000+ due to lease purchases for trucks. Costly heavy equipment is done via lease purchases rather than bought outright. Police need two cruisers and there is a detail fund and a cruiser is required at the details so one cruiser would come out of that fund. Highway pickup truck #10 needs to be replaced.

GPS system is in the capital outlay budget. Would put tracking in vehicles so know where they are? Highway foreman could tell where all the DPW trucks are. Routing could be done. This software would allow for that. Could be used for snow and ice. Route work becomes clearer.

GPS would be administered by the departments but it would be centralized in DPW. Police would administer it if cruisers are equipped. This system would create reports that provide better data than now.

Mr. Dean said there is a recurring cost on this. They would look at it for 20 vehicles, but can opt out anytime.

Benefits and taxes: Worker's Comp will go up a lot. Property liability market has a lot of activity in it.

Property value trends: Assessors are looking at a 2% increase. Have over \$133M in non-taxable land/buildings. Several developments are underway. Some projects not on value base yet, but it is coming.

Exemption programs impact overall tax rates. PEA gets a property tax exemption of \$150K value. Three largest taxpayers in Town are all educational in nature.

Discussion was held on MS1.

General Fund Revenues:

Good signs on revenues. Not a lot of sources other than property taxes and on revenues from operations and fees. Town Clerk brings in revenues as does building permits.

NOAA grant \$610,000, in three installments over three years. For the dam work. The \$1.8 M grant was totally used up. Still have river monitoring to do.

Overall about a 5.8 % increase in revenues expected for 2017.

Water and Sewer have increased over last year. Administration has a rise in insurance costs. Water fund increase is to the plant. Sewer Fund changes are minor in nature. Treatment is up 6.8%.

Debt Service to Sewer will decrease in 2017. Truck replacement is split with Water 50/50.

Revolving funds are Rec, Cable TV, EMS (ambulances),

Bond Articles: six of them. Court St Bridge culvert project, Culvert over Little River. Cost went up since last budget, it was deferred. Lincoln St PH II, Water Fund Washington St water line replacement (dates from circa 1887), surface water treatment plant is out of compliance-need to get it in to compliance. Fire Substation proposed on Epping Rd. Renovation of current public safety complex is needed.

Warrant Articles: Dam removal, sidewalk program, pedestrian improvement applications. Human Service Agency fund. Town Hall Stair case issue, reduced to \$100,000 (can use in-house laborers). Downtown parking and traffic analyses for downtown. Bittersweet Lane issues. Looking at downtown traffic reconfigurations.

Lease Purchases of trucks is coming this year.

“Complete Streets” is forthcoming from last year, it’s coming back. Need analysis of which roads are best to do that with.

Add it all up General Fund will be \$18,942,250.

There was discussion about budget figures and capital projects. Some things are in CIP.

Deferrals are listed in the back of the draft. \$1.5M for fire flows for new wastewater facility. DPW has some responses on that. There was discussion on whether these should be discussed before the Planning Board has finished the CIP process which is tomorrow night. There was discussion on CIP process, with Planning Board providing comments to the process.

4. Review reports received and those still needed from Town:

These will be forthcoming.

5. Review subcommittee process:

Chair handed out his memo outlining subcommittee process. BudCom relies on subcommittees heavily. Must get it right with dept. heads beforehand. Each subcommittee has a chair. Reports of subcommittees are due before full meetings of BudCom. All subcommittee meetings must be posted 24 hours in advance. Sheri Riffle will post meetings with the title of the session/subcommittee so that folks know what is going on. CIP won't be done all at once, it will be done dept. by dept. CIP subcommittee recommendations will come in while that department presents. Full BudCom can vote if all is settled information-wise. Discussion on CIP process changes was held. Mr. Zwaan said it worked well last year. Page 2 of handout Chair discussed overview of subcommittees and their processes.

Page 3 of handout was about standardizing the budget using templates. If a subcommittee wants to recommend a line value change reduction, then it puts that in the report. Show total for each Dept. draft budget, new total and show change. If a CIP is recommended, then show it. Operating budget has things that affect it, want to see those and show them.

6. Other business:

There was discussion on RFPs.

Next session is 10/21-all day meeting on general government.

7. Adjournment:

There being no other business appearing before the Committee, Mr. Zwaan moved to adjourn, seconded by Ms. Souter and the vote was unanimous. The session was adjourned at 8:40 pm by the Chair.

Respectfully submitted by David Pancoast, Recording Secretary.