

**Town of Exeter
Budget Review Committee
July 25, 2018
6:30 PM
Nowak Meeting Room**

Preliminaries:

Members Present: Chair Niko Papakonstantis, Mike Dawley, Len Benjamin, Nancy Belanger, Nicholas Gray, Bob Kelly, Corey Stevens, David Beavens, Tai Chin Tung

Members Absent: Judy Rowan, Steve Ramsey, Christine Soutter, Julie Gilman, Select Board Chair,

Others Present: Russell Dean, Town Manager, Doreen Chester, Finance Director and Don Clement, Select Board

Call to Order: Chair Papakonstantis called the meeting to order at 6:31PM.

1. Member Introductions:

By Roll Call, Chair Papakonstantis introduced himself and those present: Doreen Chester-Finance Director, Mike Dawley, Nancy Belanger, Russell Dean-Town Manager, Corey Stevens, Nicholas Gray, Bob Kelly, Tai Chin Tung, Dave Bevans and Len Benjamin.

Chair Papakonstantis recognized the following members who had served and were not returning and thanked them for their service and expressed hope they would return: Rob Ficara, Pat Ballantyne, Peter Lennon and Fran Hall.

2. Nominate Chair & Vice-Chair

Chair

Ms. Belanger nominated Nico Papakonstantis as Chair, seconded by Mr. Benjamin. Mr. Bevans nominated Nicholas Gray as Chair. Voting were 6 in favor of Mr. Papakonstantis and 1 in favor of Mr. Gray.

Vice-Chair

Mr. Benjamin nominated Nicholas Gray for Vice Chair. Mr. Bevans seconded the motion. With all in favor, the motion passed unanimously in favor of Nicholas Gray for Vice Chair.

3. Select Board Comments & Goals – Julie Gilman - Tabled

4. FY 18 Budget Recap

a. Review March 2018 Warrant Articles

Bond Articles

Mr. Dean reported there were 3 out of 5 Bond Articles that passed (need 60% to pass):

Article 5 - \$1,100,000 Epping Road;

Article 6 – Washington Street Water Line Construction \$665,000; and

Article 7 – Groundwater Exploration/Surface Water Review \$600,000.

The Bond Articles that did not pass were the \$7,100,520 for Parks & Recreation and the narrowly defeated Library Renovation Expansion of \$5,049,755.

Mr. Dean reported the following financial articles that passed:

Article 12 Police Department Collective Bargaining Agreement, \$44,901;

\$44,901 FY 18

\$36,981 FY 19

\$35,800 FY 20

Article 13 Sidewalk Repair & Replacement Capital Reserve Fund added \$20,000;

Article 14 Lease Purchase Agreement Fire Engine \$525,299, Payment 1 of 7, \$88,175;

Article 15 Sick Leave Expendable Trust Fund, \$100,000;

Article 16 Fire Department Radios \$73,897;

Article 17 Highway Department Loader, \$250,400, Payment 1 of 5, \$56,340;

Article 20 Snow & Ice Deficit – Non-Capital Reserve Fund, additional \$50,000;

Article 21 Wastewater Asset Management Plan \$30,000 DES forgiven loan

Article 22 Stormwater Asset Management Plan \$30,000 DES forgiven loan;

Article 23 Cemetery Capital Reserve Fund, \$27,000;

Article 24 Swasey Pavilion Maintenance \$7,500;

Article 25 Retired Bonds & Notes \$

The Articles that did not pass were #18 and #19 the Public Safety Studies for parking/pedestrian safety downtown, fire/ems/dispatch;

Mr. Dean reported work 80-90% complete on the Washington Street Water line which will be paved in the Fall. The Engine Four replacement passed and was approved by the BOS, ordered and expected in 300 days. The Highway Department loader is being worked on. The Fire Department radios are being purchased as we speak. The tree work at the Winter Street Cemetery is 60% done. Swasey Pavilion is a transfer approval of funds that exist.

The two (2) DES Waste Water and Stormwater will be grant funded and offset by DES.

Mr. Kelly asked if the ground water and sewer review work began.

Mr. Dean responded later in the year.

The Public Safety Study failed. Mr. Dean advised this was something he still feels strongly will be beneficial.

Mr. Dean explained the budget process is ongoing throughout the year, with voting at Town Meeting in March to approve the budget and warrant articles.

5. Town Manager's Report

a. Major Budget Components & Issues

Mr. Dean thanked Doreen Chester for providing the year to date budget review and expenditures.

Mr. Dean advised that the Town was six (6) months through its budget. The Town's share is 24-25% of that with School and County comprising the other 75%.

a. Review 2018 Budget to June 30, 2018

The FY18 Budget was \$18.6 million. Operating Budgets for Water \$3.3 million and Sewer \$2.5 million.

Town Departments: spent ytd 49%

Select Board, Town Manager, Human Resources

Transportation, Coast

Legal Contract

Trustee of the Trust Funds (3 members) \$891/yr. for the chair.

Town Moderator, elections

Town Clerk – motor vehicle registration, dog licenses, vital statistics

Elections – election officials and checkers and tellers

Finance: spent ytd 48%

Finance & Accounting

Treasurer – Sue Penny, wages and expenses

IT – Internet Services, Software

Tax Collector

Assessing – Deputy, Contract with Municipal Resources

Land Use: spent ytd 46%

Planning, Dave Sharples, Beth McEvoy, Kathy Croteau

Code Enforcement/Building Inspector, Doug Eastman, Barb McEvoy is Deputy, Electric Inspector.

Economic Development

Board of Adjustment, Legal

Conservation
Historic Commission
Heritage Commission

Public Safety/EMS

Police: ytd 47%

has 5 programs, Administrator, Patrol, Dispatch, Communications, Animal Control and some overtime with Hayes Park issues.

Fire: 46%

Two additional firefighters were hired late May

Public Works (general fund): ytd 41%

Snow removal Jan. to Apr. actuals

Salt shed fund

\$50,000 to snow and ice deficit reserve for overages

Stormwater for MS4 compliance – nothing spent ytd.

Nitrogen Control Plan – to be submitted by Wright Pierce.

Maintenance: ytd 38%

Custodian, superintendent, electrician, carpenter, HVAC plumber

Mr. Papakonstantis asked about maintenance projects, if that \$100,000 would be paid by the end of year.

Mr. Dean responded close to it.

Mr. Kelly asked about the funds for the unused salary in this department, with the changeover to a lower wage, whether it would be paid over to the general fund or if it could be used to do some projects that are usually kicked down the line.

Mr. Dean responded yes recommended with Select Board approval. Will see how much we creep into that \$100,000 first.

Welfare/Human Services: ytd 86%

This is offset by the Wentworth Trust, \$10-15,000 in revenue

Human Services: ytd 50%

These are agencies that apply for funding through the Town. Have a Funding Committee to review and forward those recommendations. One quarter is allocated to those expenses each quarter.

Parks & Recreation 45%

Mr. Stevens asked about Coast having a reduction.

Mr. Dean explained they have changed their service to demand/response where if someone needs a ride, they call in to request it.

Mr. Gray asked if 41% for DPW was unusually low.

Mr. Dean advised \$800,000 approved Monday night for paving has nothing spent. Mr. Dean will send a list of targeted streets.

Tai Ching Tung asked if the Town prepaid its insurance and that is why we are seeing a significant portion spent year to date.

Mr. Dean advised that the Town prepays at the beginning of the year for insurance with Primex.

Chair Papakonstantis asked if the Town got a discount for prepayment on insurance.

Mr. Dean advised they did not. The program gives the Town a three-year 7% cap so there will be no increase.

Chair Papakonstantis asked about health insurance rates, if there were any early indicators.

Mr. Dean advised they would hear in early October. There is a reserve in Budget, they get the rating and adjust it. This includes \$61,000 in sick leave buyout, required pay half at retirement, have had a few retirements this year. Reimbursed by sick leave expense trust at end of year.

Mr. Gray asked about later half expenditures which need to be below 50%.

Mr. Dean responded paving, maintenance and debt services.

Chair Papakonstantis asked about preview of upcoming budget projects/personnel?

Mr. Kelly asked when the Town would know the water and sewer rates.

Mr. Dean responded they are set in mid-2019.

Mr. Gray asked about Revenues.

Mr. Dean responded things look good. One category Building Permits is down from last year. Motor Vehicle permits are up 50%. The income from the Blue Bag program will be increased.

Mr. Dean reported the prior year fund balance offset is usually \$500,000-\$600,000/yr. and offsets the tax rate.

The Housing Authority at 277 Water Street makes a one-time payment in lieu of taxes.

Mr. Dean stated they would expect revenues from Land Use Change Tax which are charged when more than two acres are disturbed in current use.

Mr. Gray asked about the 60% revenue for property taxes, shouldn't that be 50%?

Doreen Chester explained that the first half is estimated based on last year's bill.

6. FY 19 Budget Process

a. Meetings and Dates

Chair Papakonstantis advised the following meeting schedule:

End of September – go over preliminary.

i. All Day

3rd Week October	8:30am-4:30pm	All day	General Government S/C Budget
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ii. Evenings

October -November

Last meeting to review CIP.

b. Format of Meetings

Chair Papakonstantis advised he received comments from the Select Board who would like to see consistency and uniformity in the Subcommittee reports.

Chair Papakonstantis advised that the Reports should include summary and recommendations and comments.

Chair Papakonstantis advised that Subcommittee reports should be provided to him and the Department Heads no later than 48 hours prior to meeting so that it is important that you get those in well in advance of those 48 hours and so that Sherri can post notice on the website. All Subcommittee meetings must be posted 24 hours in advance, i.e. if meeting on Monday, by Friday morning. Minutes need to be in within five business days, transmitted through Sherri.

At the conclusion, reports and memo will be sent to the Select Board to be presented at meeting.

7. Subcommittee Discussion

Chair Papakonstantis advised he would like to receive an email from each of the members in the next week or so stating two subcommittees they prefer to serve on and whether or not they would consider chairing them.

a. Review Subcommittees

Mr. Gray asked if since Police & Fire have significant budgets to work on if it made sense to separate those subcommittees.

Chair Papakonstantis advised that it was worth considering but was historically decided to combine them as not to miss public safety overlaps.

Mr. Dean agreed it was important to look at all issues together.

Adjourn

By motion made and duly seconded, the meeting was adjourned at 7:39 PM.

Respectfully submitted,

Daniel Hoijer,
Recording Secretary
via *Townhallstreams.com*