

Budget Recommendations Advisory Committee
General Government
Nowak Room
Town Office Building
Friday, October 18, 2019
Final Minutes

Members Present: Bob Kelly, Chair; Christine Soutter, Vice Chair; Corey Stevens, Dan Gray, Don Clement, Judy Rowan, Nancy Belanger, Enna Grazier, and Liz Canada

Members Absent: Nicholas Gray, Tai-Chin Tung, Dave Beavens, Anthony Zwaan

Others Present: Russ Dean, Doreen Chester, Laura Zogopoulos, Niko Papkonstantis, Kathy Corson, Julie Gilman, and Molly Cowan.

Mr. Kelly called the meeting to order at 8:35 AM.

1. Assessor's report

Mr. Dean introduced Paul McKinney of MRI, the contract assessors, and Janet Whitten, the Deputy Assessor, to discuss valuation.

Mr. McKinney said that the town-wide revaluation, which was done April 1, 2019, increased the town's value by 30%. Residential went up 20%, vacant properties 44%, manufactured housing 50%, condos 33%, and commercial 32%. The overall assessment to sales ratio is now 98%, with a coefficient of dispersion (COD) of 7.8. On the COD, they need to be at less than 20, and try to be less than 10. The price related differential (PRD), which ensures they're not overcharging the low end properties, is at .101. They held 375 informal hearings at Town Hall regarding the valuation of 6,000 parcels, and 675 properties had their assessments adjusted. If the town had not done this revaluation, the assessment to sales ratio would have been 74%. With the town's equalization ratio of 96%, they use a wider range of sales. The town's valuation increased from 2018 by 25.16%, from \$1.772 billion to \$2.218 billion. The market is still increasing, by about .5%/month, due to the high demand for housing. Mr. Dean said that the percentage value increases as a result of the revaluation are at a level they haven't seen since the late 90s or early 2000s. They've had double digit increases, sometimes 40% over 3 years, but not close to 24% in one year. Since then, they've had annual increases of 1-2% or even decreases.

Mr. Dean added that the \$2.2 billion valuation includes the TIF. New projects are also coming next year, for example the Ray Farm Condominium, whose first building is already 30% sold out, with two more buildings planned. The King property across Epping Road is being developed. At Main Street there are nine new units, at Linden Street eight duplexes, at Boston Street five new single family homes, and at Front Street nine units, so there is lots of activity. There are not a lot of large parcels left to develop, but the town will see more infill development. Exeter will continue to grow because people want to be here.

2. Assessing

Ms. Belanger discussed the Assessing budget. Line item 55200, Supplies, increased last year due to the revaluation costs. Line item 55270, Software Agreement, should be \$36,000. Cloud hosting costs a little less than \$7,000. Line item 55091, Training/Education, is over this year due to training, but they're looking for some specifics on that.

Mr. Dean said that line item 55198, Office Equipment Lease, is part of a new contract on 10 printers and copiers at \$89.80/month including toner and supplies; these costs were previously in the Supplies budget. The revaluation is not going to happen again this year, so that decrease should be reflected in the Supplies budget.

Mr. Stevens asked about line item 55270, Software Agreement, which included a Vision update and move to the Cloud, at \$22,000. Ms. Whitten said that right now, Vision runs on Oracle, which is going away, so they have to update it. It's easier to maintain in the Cloud and ultimately cheaper than keeping it on premises. IT has their hands full already. Mr. Dean said that the \$22,500 is a one-time cost, plus \$4,800 this year and \$7,000 a year going forward. This line item would be around \$15,000 in future years. Security is a big issue, and keeping it in the Cloud ensures that data is safer. Part of the proposed IT audit could be a look at this issue. Daniel Gray asked if there would be a savings on utilities or overhead if they're switching to Cloud servers, and Mr. Dean said possibly but not a big number, since their electricity costs are fixed.

Mr. Kelly asked about line item 55058, Contract Services. Mr. Dean said the last year for the current MRI contract is 2020, and it includes an escalator of \$3,000 for services above the base, such as work with exempt properties. Mr. Clement asked how much the town spent this year on specialty work. Mr. Dean responded that this year, it was less than \$3,000, but some years it's closer to \$5,000.

Ms. Belanger said that line item 55091, Education/Training, was budgeted at \$500, but was spent at \$750. Ms. Whitten said she had to take a mandatory class to get certification as supervisor, for \$175, and needed \$25 for a background check. They're all set for this year. Next year, Vision is doing a national user group in NH focused on Vision 8, and they would like to go, at a cost of \$500. In Dues/Memberships, line item 55088, they want to join the IAAO at \$220. Ms. Belanger and Ms. Grazier said the subcommittee recommends increasing the Education/Training line item from \$500 to \$1,000, and the Dues line item from \$40 to \$260. Mr. Dean said that all of Assessing is related back to state requirements, they have to stay certified and compliant.

Ms. Chester said the new benefits total is \$33,285.

MOTION: Ms. Soutter moved to approve the new benefits total of \$33,285, Ms. Rowan seconded. Mr. Clement asked about the health insurance. Ms. Chester said they received the January rates, and the health insurance rate up 8.7% and the dental is up 3.9% from 2019. All costs are included in the benefits total. All were in favor.

MOTION: Ms. Soutter moved to increase line item 55088, Dues, to \$260. Mr. Stevens seconded. All were in favor.

MOTION: Ms. Belanger moved to reduce line item 55270, Software Agreement, to \$36,000. Ms. Soutter seconded. All were in favor.

MOTION: Ms. Soutter moved to increase line item 55091, Education/Training, to \$1,000, Ms. Rowan seconded. All were in favor.

Ms. Chester said that the new General Expenses total is \$156,841, and the new Assessing total is \$254,540.

MOTION: Ms. Soutter moved to approve the new Assessing total of \$254,540. Ms. Rowan seconded. All were in favor.

3. Town Clerk, to include Moderator, Elections

Andie Kohler was present to discuss the Town Clerk budget.

Ms. Belanger said that the Town Clerk salary total is down \$3,044, as a retired long-term clerk was replaced at a lower rate. Line item 55049, Computer Supplies, is overspent this year as of the end of August, due to a new copier lease and supplies. 55198 is a new line item for bookkeeping regarding the printer lease. Line item 55084, Dog Tags, has an increase of \$100. Line item 55270, Software, has an increase of \$736 for the online dog program, as well as three new signature pads to be purchased. Line item 55058, Contract Services, has a reduction of \$1,000. Line item 55049, Computer Supplies, may decrease next year; they need a year to evaluate the savings from the copier lease. They expect to need new voting machines in 2021, which will cost up to \$20,000 for all three machines. The state directs that decision. These machines are not ready for 2020, because the Ballot Commission has to approve them first. Ms. Belanger suggested asking the schools to assist with the cost of the machines.

Mr. Stevens asked about line item 55198, Office Equipment Lease, which had no budget in 2019 but had some spending. Mr. Dean said this is the conversion to the printer/copier lease, which is a five year program with Connected Office Technologies/Great America Financing. It should balance out with their savings from not buying toner. Ms. Chester added that they don't have the expertise in-house to maintain the printers. Mr. Stevens countered that they could still have a maintenance contract on purchased equipment.

Mr. Stevens asked about line item 55241, Book Restorations. Ms. Kohler said they are coming towards the end of the book restoration project, but it will be a few more years.

Ms. Chester stated that the new benefits total is \$111,063.

MOTION: Ms. Soutter moved the new benefits total of \$111,063. Ms. Rowan seconded. All were in favor.

MOTION Ms. Belanger move to reduce line item 55058, Contract Services, by \$1,700. Mr. Stevens seconded. All were in favor.

Ms. Chester said that the new Town Clerk total is \$353,739.

MOTION: Ms. Soutter moved the Town Clerk total of \$353,739. Ms. Rowan seconded. All were in favor.

Ms. Belanger said there was an increase in the Town Moderator budget of \$453.

MOTION: Ms. Belanger moved the Town Moderator total of \$1,319. Ms. Soutter seconded. All were in favor.

Regarding the Elections budget, Ms. Belanger said there will be an extra election in 2020, but the subcommittee had no further comments.

Ms. Chester said there are no benefits in this area, so no change in the total of \$30,601.

MOTION: Ms. Soutter moved the Elections budget of \$30,601. Ms. Rowan seconded. All were in favor.

4. Planning to include Planning Department, Zoning Board of Adjustment, Historic District, Heritage Commission, Conservation Commission, Sustainability Advisory Committee
Dave Sharples, the Town Planner, was present to discuss the Planning Department budget.

Ms. Belanger said that line item 55088, Dues, has an increase of \$200 for RPC (Rockingham Planning Commission) and APA (American Planning Association) dues. Line item 55289, Studies, has an increase of \$9,000 for a town impact fees study. The cost is \$10,000 but it's offset elsewhere in the budget. The impact fees are supposed to be reviewed every 5 - 6 years, but Exeter's were last updated in 2003. This work can't be done in-house. Mr. Sharples said there is no legal requirement to update them, but there has to be a "rational nexus" between impact fees and cost to the town. As needs change, impact fees should change. Ms. Belanger added that it must be legally defensible.

Mr. Kelly asked if the money in the Water/Sewer budget for an impact fee study is part of this. Mr. Sharples said no, this is only looking at Recreation and school impact fees. Water/Sewer impact fees are reviewed by engineers, and the same person would not be qualified to do both.

Mr. Kelly challenged the idea that Mr. Sharples was not qualified to do this work, and asked if he has a sense that the fees need to be updated. Mr. Sharples said the update will determine that, he doesn't know. Ms. Soutter said that volunteer land use boards are asked to make decisions on thousands of dollars. If this report gives clearer guidance to these boards, that would be important. If there's developer pushback, the assessment needs to be up to date. Mr. Stevens said now the fees can't be too high since they're 20 years old, but raising fees may open them to challenges.

Ms. Rowan asked what studies they'd be conducting in addition to the impact fee study. Mr. Sharples said they are applying for a Municipal Technical Assistance grant for zoning analysis and a buildout analysis with RPC, both of which are related to tasks in the Master Plan.

Mr. Clement asked if they could contract someone to do impact fees for both Rec/Schools and Fire impact fees. Mr. Dean said they'd had the Fire looked at, as well as the Road impact fee, but the town never implemented either one. Ms. Rowan said the outcomes of the Public Safety study may be helpful, such as an analysis of the sources of calls to the Fire Department/EMS. If they found an increase in calls from elderly housing, that could be considered an impact.

Line item 55308, Travel Reimbursement, is underspent, since they are conservative with training expenses. Next year there will be a seminar. Mr. Sharples said that most seminars cost

\$50-60. This year it was in Rye, so he didn't stay over. He would like to keep this budget in case he decides to go to a national planning conference; there's one coming to Boston in 2022.

Mr. Stevens asked if line item 55200, Supplies, would be spent in 2019. He said it's historically around \$2,000 actual. Ms. Chester said it's spent at \$1,000 now. Mr. Stevens asked if that line could be \$2,000 instead of \$3,000. Mr. Sharples said he doesn't see an issue with that. Mr. Dean said historically this line item is spent at \$1,500-2,000. Mr. Sharples said he has no equipment purchases planned.

Mr. Sharples said he got the RPC dues bill, it will be \$12,683 this year. With the \$315 for APA dues, the total is \$12,998.

Ms. Chester stated that the updated benefits total is \$52,766.

MOTION: Ms. Soutter moved the new benefits total for Planning of \$52,766. Mr. Stevens seconded. All were in favor.

MOTION: Mr. Stevens moved to reduce line item 55200, Supplies, from \$3,000 to \$2,000. Ms. Soutter seconded. All were in favor.

Ms. Chester stated that the new General Expenses total is \$43,553.

MOTION: Ms. Rowan moved \$43,553 for Planning General Expenses. Ms. Belanger seconded. All were in favor.

Ms. Chester stated that the new Planning total is \$265,830.

MOTION: Ms. Belanger moved the Planning total of \$265,830. Ms. Rowan seconded. All were in favor.

Kristen Murphy, the Natural Resources Planner, was present to discuss the Conservation Commission budget.

Ms. Belanger said that there are new volunteers this year, so they're looking for an additional \$280 in funding for line item 55091, Education/Training. That line item will be spent this year. Line item 55044, Community Services, was reduced by \$350 to offset this increase. Line item 55058, Contract Services, was not spent halfway through the year, but will be by the end of the year. Line item 55051, Administration, is also a late season expenditure. Line item 55088, Dues, increased by \$70.

Ms. Belanger said that in the CIP, they will discuss a Conservation Fund appropriation. The original request was \$50,000, but the Planning Board suggested \$100,000 for the first year. Mr. Sharples said that the Planning Board felt \$50,000 was not enough for ARM funds or property acquisition. Ms. Rowan said that young families at the visioning session supported conservation and green spaces. Mr. Clement asked what other lands need protection, since purchasing property is not cheap.

Ms. Murphy said that the request is \$100,000 for the first year, and \$50,000 each year after that. A lot of communities have their Conservation funds receive part of the land use change tax. Prior to Exeter's Conservation Bond in 2003, the Conservation Commission received \$50,000 annually in the Conservation Fund. They paid off the bond until 2015. There are ARM grant opportunities that will be opened to the Piscataqua region this year; this is a grant that's funded through wetland impacts. Exeter should be able to use those dollars to

restore wetlands in our community. They're trying to be conservative by suggesting \$50,000. Even with a match, this amount doesn't buy a lot of property.

Mr. Clement said that in 2002, they were approached by a land owner willing to sell significant property along Little River to the town, but they didn't have the funds. That's when they got the idea of a bond. He asked if they would be better off with a \$1 million bond, paid off in 10 years.

Mr. Dean said that Conservation land comes in different ways, including donations, conservation easements, and as part of the development process. When considering property acquisition for conservation purposes, they consider if it's otherwise developable. There are not a lot of large tracts of developable land left. Ms. Rowan asked if the Conservation Commission has a plan of properties they're looking at. Ms. Murphy responded that in 2012 the Commission developed a natural resource inventory, considering factors such as groundwater protection, endangered species, wetlands, and wildlife corridors. They prioritized a list of properties or "Core Focus Areas," assuming that those parcels with a large number of resources present should be prioritized for acquisition. The Commission reviews the natural resource plan when reviewing properties for acquisition. To be eligible for the Aquatic Resource Mitigation (ARM) Fund, a percentage of the property is required to be developable. A new Commission member developed a matrix which ranked undeveloped properties in town as compared to ARM Fund criteria. They're in a good position to know which properties to prioritize if funds become available.

Mr. Kelly said that even with \$100,000 to start, the fund will take a long time to build up, and would be more appropriate for matching funds. If the goal is to purchase land, the bond would be the way to go. Ms. Murphy said that this year, the Conservation Commission was approached numerous times regarding property acquisition. Even a donation of land has some fees associated, such as an appraisal of the property. They could potentially acquire smaller parcels with the \$100,000. Ms. Belanger said she thought it was a good idea to provide the fund with an extra \$50,000 this year in seed money, since the Raynes Barn CIP will not be discussed until next year.

Ms. Soutter said there is land that should be conserved and land that should be developed. She asked if Ms. Murphy is working with the Planning Department and Economic Department to determine what's best for the town. Ms. Murphy responded that she's in the Planning Department, and works closely with that staff. The natural resource inventory and what resources are at risk are what guide Conservation Commission decisions. A developer would probably approach the town before the Commission, so they would speak with the Planning Department first. She added that there's a lot of data on the financial value of conservation land, protecting groundwater, watersheds, and aquifers.

Mr. Dean said that part of the prioritization criteria are "is it developable" and "will it be developed before we buy it." The Conservation Commission has land purchase authority if they have the money. Mr. Kelly asked the BRC members to keep this request in mind when reviewing the CIP.

Ms. Chester said there were no changes to the total of \$10,039.

MOTION: Ms. Belanger moved the Conservation Commission total of \$10,039. Mr. Stevens seconded. All were in favor.

Ms. Belanger said that there are no proposed changes to the Zoning Board of Adjustment (ZBA) budget.

MOTION: Ms. Belanger moved the ZBA budget of \$4,326. Ms. Rowan seconded. All were in favor.

Ms. Belanger said that the Heritage Commission and Historic District Commission previously had \$10,000 switching between the two budgets from year to year, but this year they decided to leave the funds under HDC. Mr. Sharples said that historically, the HDC would apply for a CLG grant one year, and the next year the Heritage Commission would apply. However, if it goes into the Heritage Commission budget, they have a fund, so any unspent funding does not go back into the General Fund, it goes into the Heritage Commission Fund. Since it's for grant matching, if they don't apply for grants, the money should go back into the General Fund. Ms. Soutter asked if the Heritage Commission can use Historic District funds for a grant. Mr. Sharples said yes, the town applies for a CLG grant, not the commissions. Mr. Dean said that from a budgeting perspective, switching them is complicated, so they're trying to develop consistency. Mr. Stevens asked why in HDC line item 55138, Grant Matching, the current year spending is \$22,500, when they will receive \$20,000 in grants. Mr. Sharples said that's a reimbursement, and they only put expenses here. Ms. Chester said that reimbursements are shown in the General Fund revenue, not zeroed out. Mr. Sharples added that they have been applying for and receiving CLG grants every year.

Ms. Gilman said that some grants don't require a match, but the town still offers some cash because it puts them higher on the list. Mr. Dean added that some grants are built around in-kind services, which are different than a cash match; they come out of the Planner salary line item.

MOTION: Ms. Soutter moved the Historic District Commission total of \$11,825. Ms. Rowan seconded. All were in favor.

Mr. Sharples said that for the Heritage Commission, line 55091, Education/Training, was reduced to \$200 to be consistent with other boards.

MOTION: Ms. Belanger moved the Heritage Commission budget of \$892. Ms. Rowan seconded. All were in favor.

Ms. Belanger provided two handouts to the BRC members: information on the receiving of the grant, and a draft job description for the Sustainability Coordinator. She said that the Sustainability Advisory Committee had started with a citizen's petition, article 31 on the 2019 ballot. The Town Manager and Select Board have been working with this advisory committee. Ms. Belanger invited the Chair of the SAC to their Subcommittee meeting. For the budget, there was a part time position proposed, but the subcommittee felt that the town is not ready to fund a part time position. They have an advisory committee with 11 tasks, and they got a grant to help them fund these tasks. The subcommittee is proposing to give them matching grant funds/operating funds. The grant they were awarded was \$15,000 to execute their task list from the NH DES Coastal Resiliency program. They matched this with a \$2,500 in-kind donation from the Town Planner budget. They will get the money in January. Mr. Dean clarified that it was a

\$2,500 cash match from the Planning budget and a \$2,500 in-kind match from the Sustainability Advisory Committee and Planning staff.

Mr. Clement pointed out that they don't usually fund Select Board-appointed committees. Ms. Belanger replied that this is a hot-button issue for the town, and the subcommittee spent a lot of time to come up with a fair approach. The position should be looked at in the future. There's work to be done, but they're not ready for the coordinator.

Ms. Grazier said that as a subcommittee they felt supportive of this movement and new area of focus. She would like to separate the budget into operating support for the committee and funding for a potential job position, which will help them to think about those separately moving forward. Regarding the job position, they're still receiving information on the proposed job description and not enough detail was provided for them to understand the full scope of the job.

Ms. Rowan asked if this is a committee under the Planning Board. Mr. Sharples said the Planning Board is a regulatory body, and the SAC is completely separate. They are volunteers that advise on sustainability. They issue no permits or legal recommendations. What department you put it in varies by town; the SAC wanted to put it under the Town Manager, but it was determined it would fit under Planning. Mr. Sharples has a sustainability background, and the Natural Resource Planner is there, so it seemed like a good fit.

Ms. Soutter said she appreciates the efforts of the SAC, but doesn't support the position now. Before the Economic Development Director position was created, there was a committee that volunteered for years to provide economic benefits to the town. Over time, the position developed, but they have to run that course first. Certain positions in a town are mandatory, like Finance, Assessing, and Planning; other positions are in a gray area, like Economic Development. It takes years for these positions to develop. Ms. Belanger agreed, saying she felt that that part of it was lacking here. The SAC needs to do the groundwork to get to the point of hiring a coordinator. Ms. Rowan said she's not convinced that the position is duplicative of what Planning is already doing. Ms. Soutter said that Mr. Sharples has a sustainability background, and they have a Natural Resources Planner; with the committee working with them, their goals can be met.

Ms. Belanger said that the SAC's position is that citizen's petition asked for money; although the language was vague, they felt that the intent of the voters was to support a position. Ms. Canada said that part of their petition was that the money would come from the savings to the town. They have to show how much money the town is saving before funding it makes sense.

Mr. Kelly said that the town does sustainability work already. The town forest is available for use by all ages. Exeter was one of the first towns to start recycling in the 80s. They already do a lot. Mr. Clement said that sustainability is a broad word; when the town develops projects, they look at sustainability. The Lincoln Street project used sustainability concepts, such as traffic calming, drainage, and trees. He sees a lot of duplication of effort. A gap analysis will show where they have done that work. Hiring is premature.

Ms. Rowan wanted to hear specific plans from the SAC, as well as what sustainability means and specific actions they're planning. Ms. Belanger said the decision was not to have the SAC at the meeting today. They do have tasks clearly lined up. There's a process to move forward with the grant on those tasks. She suggested they should come back in the future. Mr.

Kelly said that they haven't articulated a mission. Mr. Dean said that as a committee, they have a charge that's been set by the Select Board.

Ms. Grazier said that overall, there's a lot of support for the position, but they need to develop a foundation; she wants to look at how to equip them in this budget to move forward. Ms. Belanger said that they requested \$1,000 for supplies, printing, and conference rooms, but the numbers seem high. There's a UNH fellow program that the SAC wants to apply for in December. The matching funds are \$3,000. This would allow them to get an intern with a sustainability background.

Mr. Clement said that if funds are needed to help the SAC move forward, they should come from the Planning budget. Ms. Belanger pointed out that the Housing Advisory funds come out of Planning. Mr. Stevens agreed that they should put some money in the Planning Budget they could tap. Mr. Kelly asked what expenses they're anticipating. Mr. Stevens said that if their charge is to educate the public, they could use the money for printing, mailing, etc. Mr. Clement suggested they go back to the Planning Department budget and add funds there. Mr. Kelly said they should do so and eliminate the budget for the SAC. Ms. Belanger asked if they could add a line item under Planning so that they know what's being spent.

MOTION: Mr. Clement moved to reopen the Planning Budget. Ms. Rowan seconded. All were in favor.

MOTION: Mr. Clement moved to change Planning Board line item 55200, Supplies, to \$2,500 for the 2020 budget, with a notation that \$500 of that be held for Sustainability Advisory Committee needs. Mr. Stevens seconded. All were in favor.

MOTION: Ms. Belanger moved a revised Planning budget total of \$266,330. Ms. Rowan seconded. All were in favor.

MOTION: Ms. Belanger moved that the SAC total be reduced to zero. Ms. Soutter seconded. All were in favor.

5. Inspections/Code Enforcement

Doug Eastman, the Building Inspector, was present to discuss the Inspections & Code Enforcement budget.

Ms. Belanger said this budget is on track; there is an increase in steps and wages, but no increase in any other line. Line item 55050, Conferences, is not spent every year, but they don't want to unfund this line for the future. It should be spent at \$100 by the end of the year, out of \$500.

Mr. Eastman said that the department has been extremely busy. Their revenue is \$400,000-\$500,000 this year, mostly in building permit fees. Last year it was around \$250,000. The coming year will probably be substantial.

They try to save money where they can. For example, the Electrical Inspector gets paid mileage, which comes out of line item 55308, Travel Reimbursement, but when he has an inspection, he now uses Mr. Eastman's vehicle. This could save the town a few hundred dollars by the end of the year. They also had an idea to charge for zone verification letters for the real estate market to increase revenue.

Mr. Kelly asked if Mr. Eastman would be involved in the impact fees study. Mr. Eastman said he just calculates the fees, it's up to the study and Mr. Sharples to make recommendations. Mr. Kelly asked him to contribute his perspective to the project.

Ms. Chester said the new benefits total is \$74,388.

MOTION: Ms. Soutter moved \$74,388 for Inspections/Code Enforcement benefits. Ms. Rowan seconded. All were in favor.

MOTION: Ms. Soutter moved the Inspections/Code Enforcement total of \$265,855. Ms. Canada seconded. All were in favor.

6. Town Manager

Ms. Belanger said that for line 51110, Salaries/Wages Full Time, the subcommittee tried to understand the split Executive Assistant/Human Services position. Mr. Dean said that part of Ms. McElroy's wage is in this budget and part is an allocation to the Welfare and Human Services budget. They're evaluating how much of her time is Human Services; there has been a large increase in Human Services needs lately, so she is spending more time on it.

Line item 55058, Contract Services, has a decrease; line item 55088, Dues, is increasing. Mr. Dean said that part time wages are up. Part of that is an intern that was paid $\frac{1}{3}$ by the town and $\frac{2}{3}$ reimbursed. Putting funds aside for this is worthwhile. This line item also covers the Select Board recording secretary and the BRC recording secretary. The Dues line item is the townwide dues for NHMA, which is \$16,000.

Ms. Chester stated that the new benefits total is \$89,857.

MOTION: Ms. Soutter moved the new benefits total of \$89,857. Ms. Rowan seconded. All were in favor.

Ms. Chester stated that the Town Manager total is \$244,451.

MOTION: Ms. Belanger moved the Town Manager total of \$244,451. Ms. Rowan seconded. All were in favor.

Ms. Belanger said that in the Select Board budget, line item 55055, Consulting Services, is not spent but will be by the end of the year. The outstanding bills are the parking study and the Lincoln Street study.

MOTION: Ms. Belanger moved \$22,981 for the Select Board. Ms. Rowan seconded. Ms. Canada abstained and the motion passed 8-0-1.

Ms. Belanger next discussed the Tax Collection budget. Line item 55224, Postage, saw an increase of \$5,000. Line item 55058, Contract Services, was overspent by \$5,478 as of August 1, because of fill-in for a retiree and a onetime training. They're not looking for more money in 2020, it was just a one-off. For line item 55051, Education/Training, there's an increase for certification as a tax collector and the new MUNIS training. Mr. Stevens said that MUNIS training shows up in several different budgets; he asked how many folks are getting trained, and if those trained could do further training. Ms. Chester said the trainers come out for a specific module, so not everyone would be present. It will be broken into General Fund and Water/Sewer expenses; they still have to implement MUNIS in Water/Sewer Billing, so their costs will be highest. Mr. Kelly asked if they are developing in-house expertise to offset

knowledge loss with future turnover. Ms. Chester said that she and Laura are the go-to people in-house, but if there is turnover, she'd want to bring in the experts for training. They also have to keep up with enhancements.

Ms. Chester stated that the new Tax Collection benefits total is \$40,465.

MOTION: Ms. Belanger moved the new Tax Collection benefits total of \$40,465. Mr. Kelly seconded. Ms. Soutter was not present for the vote and the motion passed 8-0-0.

Daniel Gray asked about the underused line item 55170 for Legal Expense. Mr. Dean said this line is used for tax issues requiring legal expenses, such as pursuing a settlement out of a bankruptcy. It's a hard number to pin down but he recommends keeping it at \$2,000 in case something comes up. It's not enough for a major episode, but they hope that doesn't come up. Postage is up \$1,000; first class letter rates are stable, but priority mailing rates and certified mail are going up.

Ms. Chester stated that the updated Tax Collection total is \$115,581.

MOTION: Ms. Belanger moved the Tax Collection total of \$115,581. Ms. Rowan seconded. Ms. Soutter was not present for the vote and the motion passed 8-0-0.

Ms. Belanger next discussed the Treasurer budget. Line item 51000, Salary/Wages Part Time, has been removed. Ms. Chester said they tried to find someone, but they're not offering enough money. The Treasurer also wasn't comfortable with assigning her duties to anyone.

Ms. Chester stated that the new Treasurer total \$9,972. There are no health benefits.

MOTION: Ms. Belanger moved the new Treasurer total of \$9,972. Ms. Rowan seconded. Ms. Soutter was not present for the vote and the motion passed 8-0-0.

The meeting broke for lunch at 12:10 PM, and was reconvened at 12:45 PM.

7. Minutes - September 25, 2019

Mr. Gray asked that his name be corrected in the minutes from David to Daniel.

MOTION: Ms. Belanger moved to accept the minutes of September 25, 2019 as amended. Ms. Rowan seconded. Ms. Soutter was not present for the vote and the motion passed 8-0-0.

8. Transportation

Ms. Belanger said there were no changes to the Transportation budget at \$1.

MOTION: Ms. Belanger moved the Transportation total of \$1. Ms. Rowan seconded. Ms. Soutter was not present for the vote and the motion passed 8-0-0.

9. Legal

Mr. Dean said that the Legal Expense budget allows for 400 hours at \$200 per hour. They try to use Town Counsel, but they're involved in a lot of issues, such as Purchase and Sale agreements, ordinance interpretations, and contracts. General legal work comes from this budget. They don't anticipate increases in 2020. They don't know if they will be involved in active litigation, but there's nothing currently other than in Land Use. There were insurance-related settlements, but that didn't impact this budget.

Ms. Soutter returned at this time.

MOTION: Ms. Belanger moved the \$80,000 total on Legal Expense. Ms. Rowan seconded. All were in favor.

10. Human services

Ms. Soutter discussed the Welfare budget. They receive reimbursements in this area from the Wentworth Trust. Calls are up because the state-run “Coordinated Entry” service is no longer available; now, if clients call 211, they are told to call local welfare. Between July and August, there were 124 client emails and calls, 53 agency calls and emails, 22 meetings with clients, and one emergency hotel stay. Between August 15 and the end of September, there were 238 client calls, 156 agency calls or emails, and 57 meetings with clients, as well as more hotel stays. They are averaging \$110/night for hotels. Mr. Dean mentioned they’d talked about establishing a retainer/deposit with a hotel for off-hours needs. He added that to manage a situation takes multiple meetings and calls, and they’re all a little different. Ms. Soutter said that because Ms. McElroy is new, the subcommittee recommended level funding and seeing what comes.

Ms. Soutter said that low income housing has a 2-7 year waitlist. Ms. Rowan said that Ms. McElroy also discussed an increase in elderly homelessness. Ms. Canada said that there were more calls when school started, because school is one of the agencies which contacts the town. Demographics have changed; they used to have 13% of students receiving free lunch, now it’s 18%. Ms. Rowan asked if they had considered some coordination with the schools.

Ms. Grazier asked if there used to be a social worker on the town staff. Mr. Dean said that there may have been a part time Welfare Director position licensed to do social work at one time. When Sheri Riffle took on the role, it widened the service to full time availability.

Ms. Rowan asked if they had reached out to churches to assist with housing/shelter. Mr. Clement said that may be a liability issue. Ms. Canada said the waiting list is 65 people long for a local shelter. Mr. Kelly asked to add a note to the budget that it is a new program (state program defunct).

Ms. Chester stated that there are no health benefits.

MOTION: Ms. Soutter moved the Welfare total of \$73,052. Ms. Rowan seconded. All were in favor.

Human Services funding will be tabled until a later meeting, when Ms. McElroy can be present.

11. Information Technology

Andy Swanson, the IT Coordinator, was present to discuss the IT budget.

Ms. Grazier said that this department plays a huge role but is dependent on two people. One need they identified is an audit of the IT system overall to help them plan for the future. Some items have moved to the Police and Fire budget, but the bottom line number is higher due to the large number of computers added or upgraded.

Mr. Swanson said they’re supporting the existing system and keeping up with 15% growth a year. This year, they replaced a lot of computers, and added six computers for Water, six for the Select Board, and two for the two new employees. He’s also concerned about security. Hackers are focusing on municipalities, thinking they’ll pay without protesting. They

need staff education on security. There's also a Police Department camera system addressed in line item 57006, Equipment.

Ms. Grazier said that line item 55048, Computer Software, and line item 55159, Internet Services, both include a lot of items. They're adding 35 new computers, upgrading software, and servicing that many computers. Antivirus has moved to the software line, and there are other security items. Mr. Swanson added that Windows 7 is no longer being supported, and older versions of Office are going off support, which creates a deficit.

Mr. Stevens asked if they are planning to replace more computers next year than the typical 20%. Mr. Swanson said no, they're just upgrading the software. In 2019 they replaced a bigger number of PCs, since it wasn't worth upgrading them just to replace them the next year. Mr. Stevens asked if they are switching to Office 365. Mr. Swanson said he will push that next year. If they moved off Google Services, the money would be there. Mr. Stevens said that Office 365 continually updates its security, so it's an easy sell from a security angle.

Ms. Grazier said that in line item 55159, Internet Services, email filtering is new, and there's a Google apps increase related to an increased number of users and a 20% fee increase. Security is a necessity. This also includes the survey software for the Communications Committee. Mr. Swanson said they wanted to pay someone to design a survey for the Communications Committee, but they didn't have the budget so he took it on. Ms. Corson said the Communications Committee has decided to look at the website rather than do a survey, so they would be ok if this was removed from the IT budget.

Ms. Canada asked how many people are using the MyCivic App, and Mr. Clement wanted to know how effective it is, since he's had good and bad experiences. Mr. Swanson said that Bob Glowacky monitors the app, but his impression is that it's not widely used yet. The app is a good direction. Most people are looking for town info on their PCs, but that will change soon. Ms. Soutter suggested adding a message about the app to town email signatures. Ms. Rowan suggested bringing the question of promoting it to the Communications Committee. Mr. Glowacky reported that there had been 496 downloads of the app, and 200 logins this month. Ms. Soutter asked for Mr. Glowacky's recommendations. Mr. Glowacky said having the app makes the town look future-focused on engaging with the public. It needs some improvements on communicating between departments.

Mr. Stevens asked about the email filtering system. Mr. Swanson said this is an add-on to Office 365 and Gmail. It also provides an archive, which those services don't; the town needs this to comply with RSA requests. Mr. Stevens asked why internet was being raised from \$16,000 to \$31,200, and Mr. Swanson said it would be an upgrade. The new service is twice as expensive but 10 times as fast.

Ms. Rowan asked about the increase in line item 52120, Life Insurance, since they don't usually see big jumps. Mr. Dean said it's usually a change in plan, but they can take a look. Ms. Chester said there would be HIPAA concerns around sharing this information.

Daniel Gray asked about remote access. Mr. Swanson said he, Mr. Glowacky, HR, the DPW, and Ms. Chester use this to log into their work computers from home, for a total of \$1,200. You only have remote access to your own computer, so it's not a security concern. Mr. Dean said this is for those who need to get extra work done, and is not intended to be a telecommuting option.

Mr. Kelly asked about the Contract Services increase. Ms. Grazier said this would include a study of how best to use IT resources. Mr. Swanson said this would be an audit of current needs. They could hire a new IT person or find ways to do without an extra person using this information. Mr. Dean said IT only has two people to meet all of the town's demands for information; this department is likely underinvested. The Public Safety study is looking only at Public Safety technology, and that may not be all that's needed. Ms. Grazier said Mr. Swanson estimated as low as \$8,500 up to \$20,000 for an audit. Without an actual RFP, they shouldn't shortchange themselves, so the subcommittee recommended \$10,500. Daniel Gray asked if the study would cover IT needs in every department, and Mr. Swanson said yes.

Mr. Kelly said that Mr. Swanson must have a good sense of what is needed without someone outside coming in. Mr. Swanson said it would bring some legitimacy to IT requests. Ms. Belanger said they wanted to have fresh eyes look at it. When Mr. Swanson retires, it's going to be hard to fill the amount of hours he puts in. Mr. Kelly said Mr. Swanson already knows about hiring, so they should just put someone in there. Ms. Grazier said it's about other elements than staffing, such as security, data storage, and cloud storage. Mr. Clement said that IT is changing quickly and the investment is increasing, so it makes sense from the town's perspective to have someone come in and take a broad view of the department. They've never had an audit done. Mr. Kelly said they haven't needed it because they've hired the right people to run the department. Ms. Canada countered that if they trust the people, the people are saying they need an audit. Mr. Stevens said his real interest is the security and finding the gaps there. Ms. Grazier said the IT expenditures scattered over departments are a huge investment, so it's worth \$10,000 to make sure they're doing it the right way.

Ms. Belanger mentioned line item 57006, Capital Outlay: Equipment. Mr. Swanson said this includes \$29,000 for replacing the security cameras at the Safety Complex, which must be done. Every day, he gets at least one email about problems with the cameras there. Ms. Rowan asked why they need cameras at the Police station. Stephan Poulin, the Chief of Police, said that there are areas of high liability; if there's an allegation/lawsuit and they can't pull up footage to defend themselves, it will cost a lot more in the long run. They also need cameras for security; there are areas that house valuables that need to be monitored. Many of the current cameras are more than 20 years old and have poor image quality. He added that those conducting the Public Safety Complex study were concerned about the cameras, which they should be mentioning in the report. Mr. Stevens asked why this outlay is in the IT budget. Mr. Swanson said he's always over there fixing them. There's a similar system in the Town Offices and at Town Hall. Mr. Kelly said the Safety Complex cameras should be in the Fire and Police budget. Mr. Swanson said there's \$28,700 for this piece, split between Police and Fire. This line item is higher for maintenance of the cameras, at \$33,000. There would be \$4,300 left if they took out the Police/Fire, for automatic door locks and adding remote control for the locks at Town Hall.

Ms. Chester stated that the benefits total is \$35,625.

MOTION: Mr. Clement moved the IT benefits total of \$35,625. Ms. Rowan seconded. All were in favor.

MOTION: Mr. Clement moved to reduce line item 55159, Internet Services, to \$30,920, as they will not be conducting a communications survey. Ms. Canada seconded. All were in favor.

MOTION: Ms. Belanger moved to increase line item 55058, Contract Services, to \$26,500 to account for the IT audit. Ms. Canada seconded. All were in favor.

MOTION: Mr. Kelly moved to reduce line item 57006, Capital Outlay - Equipment to \$4,300, with the rest to be accounted for in Police/Fire. Mr. Stevens seconded. All were in favor.

Ms. Chester stated that the new IT total is \$252,061.

MOTION: Ms. Soutter moved the new IT total of \$252,061. Ms. Belanger seconded. All were in favor.

Mr. Clement left at this time.

12. Economic Development

Darren Winham, the Economic Development Director, was present to discuss the Economic Development budget.

Ms. Belanger said that line item 51200, Wages Part Time, will change based on how the intern is being categorized. There was concern that the intern's scope of work didn't correspond with the specific language of the internship. It's better to classify them as a part time in case of an audit. They're not changing anything else about the intern position. This line can also be reduced by \$1,200 because the Economic Development Committee has not met so they're saving \$1,200 on the recording secretary budget. The Select Board hasn't taken up the question of the EDC; it could be disbanded or, if it meets again, a member or Mr. Winham could take notes.

Ms. Belanger said that line item 55055, Consulting Services, is half spent, and no change is recommended. Line item 55308, Travel Reimbursement, has an increase of \$1,000. Line item 55050, Conferences and Meals, has an increase of \$1,100. Line item 55091, Education/Training, has an increase of \$1,100. These items are all to help Mr. Winham to take a five-day in-person class to finish his certification. Mr. Winham said that the University of Oklahoma is the only college that has an EDI certification program, and he has to go there to complete it. Mr. Stevens asked about scholarship opportunities, and Mr. Winham said he could look into it.

Ms. Chester stated that the new benefits total is \$47,420.

MOTION: Ms. Belanger moved the benefits total of \$47,420. Ms. Rowan seconded. All were in favor and the motion passed 8-0-0.

Ms. Chester stated that the new total for Economic Development is \$151,341.

MOTION: Ms. Belanger moved \$151,341 for Economic Development. Ms. Rowan seconded. All were in favor and the motion passed 8-0-0.

13. Human Resources

Ms. Cisewski was present to discuss the Human Resources budget.

Ms. Belanger said that line item 51200, Salary/Wages Part Time, saw an increase, as this is the first full year of the new part-time person. Line item 55371, Wage Reclassifications, is increased for estimated reclassifications for next year. Line item 55200, Supplies, saw a small

increase because they need a new shredder; the RSA record retention period has decreased from 50 years to 20 years so they have 30 years' worth of documents to shred. Line item 55308, Travel Reimbursement, had an increase of \$385 for a seminar next year. Line item 55091, Education/Training, is increased for MUNIS training.

Ms. Soutter left at this time, so 7 of the 13 members remained. Mr. Dean said that the Committee can have up to 15 people, but it's not an established 15. They have 13 this year. 7 of 13 is a quorum. Mr. Kelly said that if someone challenges it, he'll take responsibility.

Mr. Kelly asked why reclassifications will cost \$21,890. Mr. Dean said they've had a classification plan in the town since 2014 which covers all nonunion personnel by grade. What they lack is an account from which they can make wage adjustments. In the past year, a few departments have come forward with review requests.

Ms. Chester stated that the new benefits total is \$41,186.

MOTION: Ms. Belanger moved the new benefits total of \$41,186. Mr. Stevens seconded. All were in favor and the motion passed 7-0-0.

Ms. Chester stated that the new HR total is \$150,748.

MOTION: Ms. Belanger moved the HR total of \$150,748. Ms. Grazier seconded. All were in favor and the motion passed 7-0-0.

14. Debt Service and Capital

Mr. Dean said they'd had two debt issues fall off the schedule in 2020, a culvert project for Norris Brook and the Jady Hill Phase 2 utilities. Two came online, the Rec Park redevelopment with a five year note and the Salem Street design and engineering, which is mostly Water/Sewer but also has a small portion in the General Fund. There's some change due to debt maturing. The only other change is Bond Anticipation Note (BAN) interest for the library project, at 2.16% interest; this was short-term borrowing for cash flow. In January, once the project cost is firm, they'll borrow \$4.5 million, and begin paying that back a year later.

MOTION: Mr. Kelly moved to accept the Debt Service total. Daniel Gray seconded. All were in favor and the motion passed 7-0-0.

MOTION: Mr. Kelly moved the Miscellaneous General Expenses total of \$4. Ms. Belanger seconded. All were in favor and the motion passed 7-0-0.

MOTION: Ms. Belanger moved to accept the Cemetery budget of \$1. Ms. Rowan seconded. All were in favor and the motion passed 7-0-0.

Capital Outlay includes GPS tracking software for ambulances, fire engines, and Parks and Rec. It's not in all vehicles.

MOTION: Mr. Kelly moved the Capital Outlay - Other total of \$4,251. Ms. Belanger seconded. All were in favor and the motion passed 7-0-0.

Mr. Kelly next discussed Payroll Benefits and Taxes. Mr. Dean said this is the health insurance reserve and dental insurance reserve. The disability reserve is gone, the health insurance buyout increased, and flex spending fees haven't been updated. When they get the

new rating, they allocate it out. If a town employee has another healthcare plan available and opts out of town insurance, the health insurance buyout is net of the employer/employee share. Whatever amount is left, they give the person 30% of savings, and the town saves 70%.

The new number is \$162,380, but Mr. Dean asked them to use the number \$163,602 instead, which includes flexible spending. They won't know the final number until November, because people can opt in or out.

MOTION: Ms. Belanger moved \$163,602 for Payroll Benefits and Taxes. Mr. Stevens seconded. Mr. Dean said it went from 4.2% to 4.5%, a .3% increase. All were in favor and the motion passed 7-0-0.

Mr. Dean said that Unemployment Compensation had a slight increase.

MOTION: Mr. Stevens moved \$3,363 for Unemployment Compensation. Ms. Belanger seconded. All were in favor and the motion passed 7-0-0.

Workers Comp is \$2,783. Mr. Dean said it's up because last year they had a dividend paid out by Primex, which they can't count on for this year. The Premium Increase Cap is 6%.

MOTION: Ms. Belanger moved \$2,783 for Workers Comp. Ms. Rowan seconded. All were in favor and the motion passed 7-0-0.

MOTION: Ms. Belanger moved \$64,240 for Insurance. Ms. Rowan seconded. All were in favor and the motion passed 7-0-0.

15. Finance, Treasurer, Trustee of Trust Funds

The Trustee of Trust Funds is at \$891.

MOTION: Ms. Belanger moved \$891 for the Trustee of Trust Funds budget. Mr. Stevens seconded. All were in favor and the motion passed 7-0-0.

Ms. Belanger discussed the Finance budget. The MUNIS payroll went live September 30th. Salaries are down due to retirements. Line item 55200, Supplies, will be spent this year for the purchase of standing desks. Line item 55198, Office Equipment, includes the new copier lease at \$89.80 per month. Line item 55224, Postage, is at \$2,300 but could be reduced. Finance is trying to promote direct deposit, which 2/3rds of employees are using. For line item 55017, Bank Fees, they are working on reducing those fees. The actual YTD is \$714. Line item 55058, Contract Services, saw a \$6,500 increase, as they must run a compliance audit every three years per the Government Accounting Standards Board (GASB). Mr. Stevens asked if ACE compliance is the only yearly cost in this line item. Ms. Chester said it varies, but ACE Compliance is always \$1,000 per year. In 2018 compliance wasn't pricey, but there were also MUNIS costs. She would be comfortable reducing it to \$6,500 for 2020. They don't want to shortchange on Education/Training; there's an accounting certificate course that Ms. Zogopoulos wanted to take for \$620, and this line item also includes PACE training for the Finance Department. She would like this line item to go back to \$4,000. Line item 55198, Office Equipment Leases, should be \$1,080, as they're not getting a new folding machine. Line item 55058, Contract Services, should be at \$6,500.

Ms. Chester stated that the new benefits total is \$115,887 due to a change in plan.

MOTION: Ms. Belanger moved the new benefits total of \$115,887. Ms. Rowan seconded. All were in favor and the motion passed 7-0-0.

MOTION: Mr. Stevens moved to reduce line item 55198, Office Equipment Leases, to \$1,080. Ms. Grazier seconded. All were in favor and the motion passed 7-0-0.

MOTION: Mr. Stevens moved to reduce line item 55058, Contract Services, to \$6,500. Ms. Canada seconded. All were in favor and the motion passed 7-0-0.

The new Finance total is \$329,674.

MOTION: Ms. Belanger moved the Finance total of \$329,674. Ms. Rowan seconded. All were in favor.

Ms. Chester stated that the preliminary budget was \$19,914,236; after the meeting, it's down 3.8%, at \$19,850,471. Ms. Zogopoulos said the \$28,700 moved to Police and Fire was not taken out of the total number. Mr. Kelly said they don't need to vote on totals.

16. Review Board Calendar

Next Wednesday at 6:30 is the Police and Fire presentation.

17. Adjournment

Mr. Kelly said they stand adjourned at 3:29 PM.

Respectfully Submitted,
Joanna Bartell
Recording Secretary