

Budget Recommendations Advisory Committee
CIP and Budget Wrap-up
11/17/2020 6:30 PM
Draft Minutes

Members Present: Bob Kelly, Chair; Corey Stevens, Christine Soutter, Don Clement, Judy Rowan, Nancy Belanger, Anthony Zwaan, Amy Farnham, Christopher Zigmont, Kaley Briden, Enna Grazier, Liz Canada, and Kathy Corson

Members Absent: None

Others Present: Russ Dean, Doreen Chester, Niko Papkonstantis, Matthew Berube, Jennifer Perry

Mr. Kelly called the meeting to order at 6:30 PM and read a statement:

As Chair of the Budget Recommendations Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 this public body is authorized to meet electronically.

Public notice of this meeting was posted on the town website and on the bulletin board of the town offices at 10 Front Street. As provided in that public notice, the public may access the meeting online and via phone.

Please note that all votes taken during this meeting shall be done by roll call vote. Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting and who that person is (son, daughter, spouse, etc...), which is required under the Right-to-Know law.

1. Minutes

a. October 16, 2020 - General Government

MOTION: Ms. Belanger moved to approve the October 16, 2020 minutes as submitted. Ms. Soutter seconded. By a roll call vote, all were in favor. [Liz Canada was not yet present for the vote].

b. October 21, 2020 - Police and Fire

MOTION: Ms. Belanger moved to approve the October 21, 2020 minutes as submitted. Ms. Soutter seconded. In a roll call vote, Ms. Corson abstained because she was not present, and the motion passed 11-0-1. [Liz Canada was not yet present for the vote].

c. October 29, 2020 - Public Works General

MOTION: Ms. Belanger moved to approve the October 29, 2020 minutes as submitted. Ms. Soutter seconded. By a roll call vote, all were in favor. [Liz Canada was not yet present for the vote].

2. Capital Improvements

Mr. Kelly said that they put money in the budget for a vehicle audit in 2021, which may end up deferring some of the vehicle requests. Mr. Dean said with Covid-19 and uncertainty in the revenues, 2021 may be a good year to step back from large vehicle purchases and conduct a vehicle audit, which would look at several aspects of their fleet: sustainability questions; the vehicle replacement policy, which currently focuses on a seven year lifespan; vehicle use for operations; the take-home vehicle policy; and a review of vehicle size. Mr. Stevens asked if they should hold all vehicle purchases pending this audit, and Mr. Dean said he recommends just purchasing the two Police vehicles and waiting on everything else. Mr. Kelly said the subcommittee recommended replacing only one Police vehicle and waiting on the rest. Ms. Rowan said the Chief, in recognition of the Covid budget, was the one who suggested the deferral of the second hybrid Police vehicle. Mr. Dean said the Chief is being very generous given the Covid budget, but he [Mr. Dean] would prefer to go forward with the second purchase.

Mr. Zigmont said he's in favor of the audit. They must keep the bigger picture in mind. Hybrid vehicles are key to meeting their carbon emissions goal. Mr. Clement said they already voted to approve the two hybrid cruisers, so they would have to re-vote if they wanted to change that. Ms. Corson said the hybrid vehicles save money both in gas and brake repairs. She supports both purchases.

Dr. Zwaan asked about the timeline and goal for the audit. Mr. Dean said probably 4 - 5 months. The goal is to chart a course for the next steps. Ms. Briden asked about other vehicles that may need to be replaced right away. Mr. Kelly said he doesn't think that there are any vehicles that would not be functional if not replaced next year.

Mr. Kelly said they will defer the decisions on the other eight vehicles requested until they have the results of the audit for next year's budget.

Ms. Belanger discussed the Bike and Pedestrian Master Plan, which is a request of \$25,000. Originally the subcommittee recommended both this and the Conservation request, but after considering the Covid cuts there were some members on the fence. Ms. Grazier said they're looking ahead to later years; there's a Complete Streets study planned for 2022, and a Downtown Parking survey in 2023, so she wants to make sure they don't lose out on the opportunity of doing the three sequential studies.

Mr. Dean said all three of these are worth doing, but there's uncertainty around revenue streams next year. That said, \$25,000 out of a \$25M budget is not a lot. The overall tax rate is \$24.49, and the town's share is \$5.91, a 20 cent increase from last year. Mr. Clement said he'd like to roll these three studies together somehow. Complete Streets is supposed to look at bikes, pedestrians, and traffic. He'd like to see them defer the study this year and put together a more inclusive study in the future. Mr. Dean said you might be able to roll two of the studies together, but the Downtown Study is unique. Ms. Belanger said the Select Board might have updated revenue information in the next few weeks, so that Board could add it back in.

MOTION: Ms. Belanger moved to defer the Bike and Pedestrian Master Plan study in the amount of \$25,000. Ms. Briden seconded. In a roll call vote, Ms. Farnham and Mr. Zigmont voted nay, and the motion passed 11-2.

Ms. Belanger discussed the Conservation Fund. The original ask was \$50,000, but the Planning Board voted to increase that to \$75,000. The subcommittee suggested reducing the amount back to \$50,000 with an eye towards making cuts overall. The Conservation Fund does have \$57,000 already, so it won't be left with nothing. Ms. Grazier said that without enough money in the fund, there's no way to act on opportunities that arise. Mr. Kelly suggested cutting it to \$25,000. Dr. Zwaan said that Kristin Murphy's presentation suggested that there were actual leads to justify the ask, so he'd be troubled by cutting it from \$75,000 to \$25,000. Ms. Belanger said the subcommittee heard that there are potentials but nothing definite.

MOTION: Ms. Belanger moved that the Conservation Fund Appropriation be in the amount of \$50,000. Ms. Grazier seconded. By a roll call vote, all were in favor.

Ms. Grazier discussed the Parks Improvement Fund. The Department originally asked for \$100,000, but after meeting with Mr. Dean, it was suggested to reduce it to \$43,000. Mr. Kelly asked why that number, and Mr. Dean said the fund isn't completely spent, so they're looking to put it in a "maintenance mode." Mr. Zigmont said that Mr. Bisson told them the wear and tear on the parks has been increased with Covid. Mr. Clement said Mr. Bisson told them at a previous meeting that this amount would be sufficient to what they wanted to do next year, which was mostly work on Park Street Common. Ms. Soutter said that wasn't accurate. Mr. Dean said this reduction was something that came out of the Town Manager's office. The Department would be happy getting the full \$100,000. Ms. Farnham said the items deferred until next year are adding up, and they should keep the momentum going with things in town that improve their situation in the pandemic. She would like to keep more in this fund if possible. Dr. Zwaan said they may want to put quality of life issues before the voters.

MOTION: Ms. Soutter moved to approve the Parks Improvement Fund at \$100,000 as presented in the CIP. Mr. Zigmont seconded. In a roll call vote, Ms. Corson, Mr. Stevens, Mr. Clement, and Mr. Kelly voted nay, and the motion passed 9-4.

Mr. Stevens discussed the Pickpocket Dam project. This dam has been reclassified as a high hazard, and Exeter is charged with coming up with a plan to mitigate it. They allocated \$90,000 to the project last year, which did not get spent; the request this year is for \$300,000, which when combined with the existing budget will take them to the next phase. They must have a plan in place by June 2022 to deal with it by 2025. Ms. Perry said they don't have to have the evaluation complete yet; the requirement is to have an engineering team on board, which has been met. They've been working with VHB on the breach analysis and the emergency action plan, which are complete. By June of 2022, the town has to apply to the NH DES Dam Bureau with the selected alternative for the dam, so the alternatives analysis must be complete within

the next year. The information from the feasibility study will also allow them to apply for grants and other funding opportunities.

Dr. Zwaan asked if there's a sense of where the project is headed. Ms. Perry said this is not assumed to be a dam removal. They're planning to look at multiple alternatives. The dam needs to discharge 2 1/2x the 100 year storm level, which could mean increasing the length of the dam crest, decreasing its elevation, increasing the elevations of its abutments, or dam removal. Brentwood is an abutter, which makes it a different project than the Great Dam project, although Exeter is the responsible party for making any modifications.

Mr. Dean said the letter of deficiency is dated June 25, 2019, and it proposes that a reconstruction would be the solution, although if the town preferred to remove it DES would probably be supportive. His issue is that the letter says the town can be fined up to \$2,000 a day for not addressing it, which seems to supersede any legal liability towards abutters around the impoundment. They should do more homework before sinking thousands or potentially millions into this project. The town needs legal representation for dealing with Brentwood and DES. The last time they had litigation with Brentwood, regarding Pine Road, Exeter went all the way to the Supreme Court. Exeter won, but legal fees were in excess of \$100,000. Ms. Farnham asked if we've ever discussed ownership or rights with Brentwood. Mr. Dean said they used to pay property taxes for that dam to the town of Brentwood, but about five years ago they notified Brentwood that the dam was no longer used for flood control, so we'd no longer be paying taxes.

Mr. Stevens suggested getting as far as they could with the \$90,000 that was unspent in 2020, rather than appropriating more money. Ms. Perry said the first thing they have to do is the 2 1/2 times the 100 year flood analysis, which would cost about \$90,000, but that budget would not allow for any analysis of alternatives. Mr. Clement said they don't have the same environmental issues with Pickpocket Dam as with Great Dam; removing it wouldn't add anything environmentally, and would bring Brentwood in. They should limit the scope of the feasibility study to look only at shoring up the abutments or increasing the freeboard, which should limit the cost of the study.

Mr. Zigmont asked if they'd be better off putting this money aside in case they are challenged by DES. Mr. Dean said they could consider a Capital Reserve Fund for this project, which they could move the remaining funds as well as the appropriation into. Then they can withdraw it as they need it, but also get the legal analysis done and chart a course. Dr. Zwaan asked if it should include money for legal fees; Mr. Dean said they would set up the warrant article that would both appropriate funds and specify that they could spend it on legal fees.

MOTION [withdrawn]: Mr. Stevens moved to establish a Capital Reserve Fund for Pickpocket Dam project, putting the 90,000 from last year into it, and adding \$10,000 for a \$100,000 total. Ms. Belanger seconded. Mr. Clement asked Ms. Perry if \$100,000 is enough to move forward in 2021; Ms. Perry said \$90,000 is enough to do the 2 ½ times 100 year flood evaluation, but would not give them enough money to do an alternatives analysis or legal review fees. Mr.

Clement said he thinks they need to do more, such as adding another \$100,000. Mr. Stevens withdrew his motion and Ms. Belanger withdrew her second.

Ms. Perry discussed the costs of each step in the process. She mentioned that 14 - 19 homes in Brentwood would be impacted by a breach event. Ms. Rowan asked whether they would need to add additional fees for legal issues, and Mr. Dean said they could tap into the Legal budget instead.

MOTION: Mr. Clement moved to set up a Capital Reserve Fund for Pickpocket Dam, moving the \$90,000 appropriated in prior years and adding an additional \$150,000, to be used for study of the Pickpocket Dam and/or legal fees. Ms. Belanger seconded. Dr. Zwaan said it seems high. Mr. Clement said with \$150,000, if the legal questions are resolved, it gives them the money to start a feasibility study in 2021. With only \$10,000, they won't have enough to meet the deadline in 2022. Ms. Briden said \$150,000 is half of what they've asked for, but at least it would move them forward. \$10,000 is frivolous. Ms. Corson, Ms. Farnham, Mr. Clement, Ms. Briden, Ms. Belanger voted yes, and Ms. Rowan, Dr. Zwaan, Mr. Stevens, Mr. Zigmont, Ms. Grazier, Ms. Canada, Ms. Soutter, and Mr. Kelly voted nay. The motion failed 5-8.

MOTION: Mr. Zigmont moved to set up a Capital Reserve Fund for Pickpocket Dam, moving the \$90,000 appropriated in prior years and adding an additional \$100,000. Ms. Belanger seconded. In a roll call vote, Dr. Zwaan voted nay, and the motion passed 12-1.

Mr. Stevens discussed the Salem Street utilities project. It was started about a year ago, and the engineering has been done; the next step is to begin the work. It has a Water, Sewer, and General Fund budget component. The General Fund portion is \$1,060,000. The subcommittee supported this project. Ms. Perry said they're at about 95% of the design, and they have new opinions of cost from the engineers, which are all reductions. The overall cost is down from \$5,530,000 to \$5,100,000; the General Fund portion is down from \$1.06M to \$1.01M; the Water part is down to \$2.5M, and the Sewer is down to \$1.59M. Mr. Kelly said the drainage (General Fund) part is \$85,000/year for 15 years.

MOTION: Mr. Stevens moved to approve the drainage part of the Salem Street Area Utility Replacement project at \$1.01M. Ms. Belanger seconded. By a roll call vote, all were in favor.

Mr. Kelly asked Mr. Stevens to discuss the Sidewalk appropriation, but Mr. Stevens said he didn't see it in the warrant listing. Mr. Dean said it's been deferred; they currently have a Capital Reserve Fund Balance of \$144,000, so if they need to do a project next year they can take it from this account. The State also gave them money for sidewalks, some of which was used for Lincoln Street but some of which is left. No action is necessary.

Mr. Kelly asked about the Boardwalk project. Mr. Stevens said their recommendation was not to make the \$25,000 repairs a warrant, but rather to make them as part of the \$100,000 maintenance budget that they've already approved.

MOTION: Mr. Stevens moved to pay for the Boardwalk Repairs out of the existing maintenance budget, rather than creating a warrant article for this project. Ms. Farnham seconded. By a roll call vote, all were in favor.

Mr. Clement asked about the Stewart Park Seawall Deficit Funding at \$105,794, which is a potential warrant article. Mr. Dean said this is an old project that goes back to 2007, the number is coming from the auditors on the deficit from that project. Ms. Chester said they're on track to take that from Fund Balance and not have it impact the tax rate. Mr. Dean said it has to appear on the warrant, but it doesn't change their financial position.

Mr. Stevens discussed the DPW Garage project. They were given \$25,000 last year for a programming scope of work, and they're about $\frac{2}{3}$ finished. This year, they're looking for \$150,000 to finalize conceptualls and get a project budget together. The subcommittee recommended reducing that to \$100,000. The Public Safety project is coming up as well, and will need a similar budget. Ms. Perry said they're more than $\frac{2}{3}$ complete with the first \$25,000 effort. They're looking to create a detailed narrative report on the project so far. They think they can still progress the project with \$100,000, but they need to do a site survey of the adjacent 4.5 acre parcel. They're also looking to discuss a master plan with the Facilities Committee.

Ms. Rowan said she would like a list of the needs that will be met by this garage so that they can meet them in the most limited way possible. Ms. Perry said it was constructed in 1969, and doesn't meet the snow load codes of 35 lb per square foot; it has only a 18-20 lb per square foot capacity. They use a roof load monitor and have a contractor remove snow from the roof. Less than 18 inches of snow pushes them into the danger zone. They also want to address other issues, such as energy inefficiency, ventilation, storage, and inadequate restrooms. The fueling island is very dated. It's not meeting the current needs of the department, and they're additionally trying to anticipate needs over the next 20 years.

Ms. Belanger said she's concerned about employee safety; this is a need, not a want. Mr. Stevens asked if they could make the existing building work. Ms. Perry said certain aspects could be salvaged, but the site itself is a challenge. They could make improvements to the ventilation, roof support, and foundations, but it's still a 50 year old building with heavy daily use.

MOTION: Mr. Stevens moved to reduce the request for \$150,000 down to \$100,000 for the DPW Garage Replacement warrant. Mr. Kelly seconded. By a roll call vote, all were in favor.

Ms. Rowan discussed the Public Safety warrant article. The subcommittee recommended reducing the budget and discussing the project with both the Fire and Police Departments on their needs and perspectives, and see if they have a general idea with the direction they'd like to go forward with. Mr. Dean said he's been working with the Facilities Committee and the Chiefs on a scope of work. They haven't yet had a conversation at the Select Board level of the elements of the Public Safety study. Mr. Papakonstantis said the Select Board was waiting to hear the BRC recommendations before they engage deeply.

MOTION: Ms. Rowan moved \$100,000 for the warrant article for the Public Safety alternatives analysis design and engineering. Mr. Kelly seconded. By a roll call vote, all were in favor.

Mr. Stevens asked if any actions were necessary on the remaining warrants, the Stewart Street Seawall project, Sick Leave, and Snow and Ice Deficit, and Mr. Dean said no, they're funded from Fund Balance and not part of the tax rate.

3. Water Fund Articles

Mr. Kelly said they made both the Surface Water Treatment Plant Lagoon Cleaning and the SWTP Upgrade part of Capital Outlay, as they are both maintenance projects. The remaining Water projects are the Salem Street Utility Project and Groundwater Source Development. The Salem Street Utility project is \$2.5M for the Water component, which is \$200,000 per year with a 15 year note. The subcommittee recommends that budget.

MOTION: Mr. Kelly moved the \$2.5M Salem Street Utility Project as a warrant article. Dr. Zwaan seconded. By a roll call vote, all were in favor.

Mr. Kelly said the Groundwater Source Development is a follow up to last year's investigatory work. This gets into site development. The cost is \$1M, or a 12 year note at \$100,000 a year. There will be more design and construction, as well as potential land acquisition, in the next few years. Ms. Perry said this would be used to develop the most promising of the test wells and do the hydrogeologic work. This is part of the long-range plans for the drinking water supply.

Mr. Clement said Water and Sewer users have taken a big hit financially, he would like to find better financial solutions for them. Mr. Dean said taking Great Dam out reduced the impoundment, and Stadium Well and Gilman well yields aren't what they were expected to be, so the town needs to pursue an alternate supply. Mr. Clement said there were studies that said the water supply from those wells was going to be accurate, and now they're hearing they're not. Mr. Kelly said the \$800,000 allocated previously was also dedicated to surfacewater development, as the committee felt they needed to diversify the water supply. They're doing ok now, but if the town grows at all they will need to have a new supply. Ms. Perry said groundwater is cheaper to treat, and they have capacity at the groundwater treatment plant, so it made sense to move forward with this source. Dr. Zwaan said it's a utility, he doesn't see what choice they have. Mr. Kelly said this is historically underinvested, so they're paying for it now. Ms. Corson said she's concerned if they pile more into the warrant, there's a greater chance that things won't get passed.

MOTION: Mr. Kelly moved to put the \$1M Groundwater Source Development onto the warrant. Dr. Zwaan seconded. Mr. Clement voted nay and the motion passed 12-1.

4. Sewer

Mr. Kelly said the Sewer Portion of the Salem Street Utility Project is \$1.59M, which is \$150,000 a year for a 15 year note.

MOTION: Ms. Soutter moved to approve the warrant for \$1.59M for the Salem Street Utility Project - Sewer Portion. Ms. Corson seconded. By a roll call vote, all were in favor.

Mr. Kelly discussed the project of Lagoon Sludge Removal at the old Wastewater Plant. The value engineering kicked the lagoon removal down the road, but now they have a \$2.6M requirement to dispense of the sludge. In the CIP it's done over two years, but with rates what they are Mr. Dean recommended they take the full bond now. Mr. Kelly said he asked Ms. Perry to look at alternatives to cleaning. Ms. Perry said they don't have the option to keep this material on-site forever. There could be a deferral, but ultimately it will have to be removed, and she expects that there will be steep increases in cost of disposal in the future. They've been told that if they go forward they will be one of the last groups allowed to dispose at the Rochester Waste Management location, due to limited capacity; once that is no longer an option, it will likely have to go to upstate New York. Mr. Dean said right now they can borrow for 10 years at 1.3% interest, he doesn't know if they'll ever see these rates again. Mr. Berube discussed the specifics of removing the sludge.

MOTION: Dr. Zwaan moved to add the Lagoon Sludge Removal bond to the warrant as recommended by the Town Manager. Mr. Stevens seconded. By a roll call vote, all were in favor.

Ms. Perry gave an update on the Swamscott River Siphons project. Last year the BRC put forward \$1.6M toward the Swamscott River Sewer Siphons; they are looking at installing a third siphon to increase capacity. In an assessment, they found significant corrosion of the existing two siphons from the 1960s. The next step is further assessment by CCTV. If they can't reline the existing 8" sewers, they may have to replace them in addition to installing a third one. Dr. Zwaan asked if this could come up suddenly enough to require a special meeting. Ms. Perry said it's unlikely, but they're trying to get to the bottom of the issue.

5. Review Calendar

Mr. Papakonstantis asked the Committee to prepare the report for Mr. Kelly to present at the Select Board meeting December 7. The Public Budget Hearing will be in January.

6. Adjournment

Mr. Kelly adjourned the meeting at 10:07 PM.

Respectfully Submitted,
Joanna Bartell
Recording Secretary