

Budget Recommendations Advisory Committee  
Nowak Room, Town Offices  
July 28, 2021, 6:30 PM  
Draft Minutes

Members Present: Bob Kelly, Chair; Corey Stevens, Christine Soutter, Judy Rowan, Nancy Belanger, Amy Farnham, Kathy Corson. Mark Fabian was not yet an official member but was present to observe.

Members Absent: Don Clement, Anthony Zwaan, Liz Canada, and Enna Grazier.

Others Present: Russ Dean and Doreen Chester; Niko Papkonstantis was present remotely via Zoom

1. Call to Order

Mr. Kelly called the meeting to order at 6:30 PM.

2. Nominations

**MOTION:** Ms. Belanger nominated Bob Kelly as Chair. Dr. Rowan seconded. All were in favor.

**MOTION:** Ms. Belanger nominated Christine Soutter for Vice Chair. Dr. Rowan seconded. All were in favor.

3. Discussion

Mr. Papakonstantis thanked the members for serving on the BRC. He said the Select Board would like the BRC to dive into the CIP process and requests, looking at projects over the next 3-5 years.

Mr. Kelly said Kaley Briden is no longer on the BRC, as she moved out of state. Mark Fabian may be joining the Committee.

Mr. Kelly said the CIP is somewhat of an afterthought in the BRC process. The Library and Rec Center proposals could have gone better; the BRC didn't get much of a chance to weigh in on them. This year, they will start earlier in the process with the CIP. Ms. Soutter said in the past, they've spent a lot of time on minutiae of the budget. Some of the CIP projects have a huge impact on the community. She proposed discussing a few of the CIP projects at each meeting. Ms. Belanger said it would be helpful to get their questions to the Department heads in advance. Ms. Corson said she agrees that the CIP doesn't get enough time.

Mr. Dean said the Operating budget passed with 82.6% of the vote in March, one of the highest numbers he's seen. The Water budget passed at 70.4%, and Sewer at 70.1%. All three passed with strong numbers. There were four bond issues, and all of them passed: the Salem Street project at 71%, the Solar Array at 74%, the Lagoon Sludge removal at 78%, and the Groundwater Development project at 74%. This is indicative of voters' understanding of the budget process over the last few years. The tax rate is stable; Water and Sewer are rising but manageable. The Salem Street project is going out to bid Aug 2nd.

There will be a virtual bid opening on Zoom at the Select Board meeting, and the DPW put out 11 sets of plans, which is a high number for a Public Works project. The town signed a letter of intent for the Solar Array with Revision energy, and the company is looking at what kind of connection is needed. Regarding the Lagoon Sludge Removal, they opened bids last month and the contract was awarded to Synagro, which is doing work with the Wastewater Plant sludge already. For the Groundwater bond issue, they were able to get a true interest rate of 1.49%. The Police Collective bargaining passed at 76%, the Kingston Road Shoulders project at 78.8%, the Public Safety Alternatives study at 51.6%, and the Parks Improvement Fund allocation at 64.9%. The customary articles all passed. For the Public Safety project, they issued an RFQ, and got 15 proposals. He's meeting with the review team tomorrow to decide which firms to interview.

The General Fund is at 42% spent as of June 30. The Water Fund is at 36% and Sewer is at 18%. That's typical, as most of those debt service payments are due in August. There are some vacancies in town positions, including in Public Works and the Police.

The Fall tax rate was 5.91% last November, and it could be around 6% this year. The town is only about 23% of the overall tax rate. That percentage has decreased as the school's share has gone up.

For FY22, home values are continuing to increase, since the real estate market has been hot. There will be a new valuation number in September. Building permits are about \$100,000 ahead of last year at this time. For other revenue, ARPA, the American Rescue Plan funds, will come in at \$1.6M. The Select Board voted to accept those funds, and Finance is applying for them, so they should have them in 5 - 7 days. The funds need to be committed by 2024, but they can spend them through December 2026. They can use them on Water/Sewer infrastructure or to offset lost revenues in General Government services. They can't use them to offset the tax rate. The State did not fund the State Aid Grant for the Wastewater Treatment facility, which would have been \$850,000. Exeter is in the pot still, but the State has to step up and fund it. Newmarket got their money, but no one else. They're working on applying for outside funding, including to the Federal Government, for projects such as the Linden Street Sidewalks, the Webster Ave Pump Station, and Police Body Cameras. The Police Chief is supportive of body cameras, as are most officers. The Pump Station project was approved for a grant of \$1.04M by Senator Shaheen's office, but the cost has gone up to over \$5M. This is a big ticket in the CIP. There are three open collective bargaining agreements: Police, Fire, and Public Works. Dave Sharples is putting the finishing touches on the draft of the CIP, and they will get it out to the BRC. Exeter is under a new Great Bay permit for total nitrogen and non-point source pollution, so they'll see a lot in the CIP about compliance and testing. For the Siphons project, they're pursuing a three-barrel set up; this is in the CIP, but they're also looking for outside funding through Congressman Pappas's office. The project needs to go to the full committee in Congress for appropriation. It's also ARPA fund eligible.

Mr. Kelly said the cost of the Siphons project is about double what it was two years ago, so they're trying to figure out how to fund that.

Dr. Rowan asked if they would discuss the impact of all the rain on wastewater and groundwater. Mr. Kelly said he hadn't spoken to Jen Perry, so he hasn't heard if there were any CSO or SSO events [Combined Sewer Overflow and Sanitary Sewer Overflows]. Mr.

Dean said the DPW recommended keeping the level 2 drought restrictions in place. The water is more turbid at this time of year, so they don't use the reservoir. The new forcemain and Wastewater Plant are working as expected. Dr. Rowan said it sounds like their money has been well spent, if the new systems could contain the extreme amount of rain water. Ms. Corson asked if some of the infrastructure plan at the Federal level will come to Exeter. Mr. Dean said the State has also received ARPA funds, so there's a big chunk of money and they're trying to figure out where it's going to go. The Webster Ave project is important to the hospital, and the town has a letter of recommendation from them.

Mr. Kelly said the Budget Committee meetings will kick off in September. He's assigned everyone to their subcommittee from last year. The Police and Fire meeting is further down the list than usual to accommodate schedules.

Mr. Dean presented a handout with a summary of the current and projected debt service. In FY21, the tax impact to a \$300,000 house was \$187.71. The proposed debt service is at \$197, but the DPW garage and Public Safety project costs are TBD. For the Water Fund, in in FY27 it will be a little over \$1M, but with projects it's double that. Mr. Kelly discussed the handouts and how to interpret the debt service numbers. Mr. Dean said they wanted to show what the impact on the annual bill looks like with \$500,000 in debt service. Mr. Kelly said it's \$70-80 per \$500,000 of debt.

Ms. Farnham said last year a lot of budgets were maintained. How will they be this year? Mr. Dean said they're adjusting for inflation. They're asking for Departments to ask for what they did last year, but they're building back in travel for out-of-state conferences. He's recommending a 0.5% step and 2% COLA. The full draft budget will be presented to the BRC on September 29th. The FY 21 budget was only a 1.6% increase, where it's usually 2.5-3%. Ms. Farnham said that lower numbers were responsible for voter support last year.

Mr. Kelly said by September 1st the BRC members should have subcommittee assignments. The next meeting is on September 29th.

#### 4. Adjournment

Mr. Kelly adjourned the meeting at 7:42 PM.

Respectfully Submitted,  
Joanna Bartell  
Recording Secretary