

Select Board Meeting
Monday October 1st, 2018
Town Offices, Nowak Room
Final Minutes

1. Call Meeting to Order.

Members present: Anne Surman, Kathy Corson, Julie Gilman, Molly Cowan, Don Clement, and Russ Dean were present at this meeting. Ms. Gilman called the meeting to order at 6:04 PM in the Nowak Room.

2. Swasey Parkway Meeting with Swasey Trustees

Ms. Gilman opened by stating that Swasey Trustees Mark Damsell, Gerry Hamel, and Florence Ruffner were present at the meeting to help explore the role of the Trustees in the holding of the Trust Fund. The Select Board is concerned that where the funds are currently being parked is not necessarily the right place, and they should be going to the Trustees of the Trust Funds. The board intends to clean up the financial situation so the audit is cleaner. Mr. Clement asked if one option could be a capital reserve fund for provision on Swasey Parkway that would fall under the jurisdiction of the Trustees of the Trust Funds; Mr. Dean confirmed that that is an option. Ms. Gilman emphasized that they wanted to keep the funds separate for the Parkway.

Ms. Gilman said that the Select Board had the authority to dissolve the Trust after 50 years, but that didn't happen. The year after the Trust was established, Exeter voters elected trustees for the maintenance of the Parkway, but didn't give them any monetary responsibility or authority, nor did the Memorandum of Understanding between the Trustees and the city specify any methods of funding. Ms. Gilman said that she is concerned about where the funds from permitting go, and also that the town is expending funds on maintenance and electricity for the Parkway.

Mr. Dean explained that the Trust itself was set up by Ambrose Swasey with provisions to be able to be terminated after 50 years. The word "terminate" has caused consternation, but it means that the Select Board could ask the trustee, Key Bank in Cleveland OH, to end their custody of the Trust and send the principal and interest to the town, and the town would then decide where to put it. The Charitable Trust letter from August alerted the Town Manager's office that when the Trust was set up, it should have gone to the Trustees of the Trust Funds, the only group statutorily empowered to handle trust monies. Key Bank has paid interest to the town over many years, which has been held in a separate account that the Swasey Trustees have historically managed. What the town has been advised to do by the Charitable Trust Division of the Attorney General's Office is to take that interest income from the Trust and have it be held by the Trustees of the Trust Funds. This adjustment is easy, just some bank paperwork to have the Trustees of the Trust Funds hold the interest income, and then it can be listed in the town report. The other issue is whether the Select Board should "terminate" the trust and have the principal monies which are at Key Bank brought back to town and held by the Trustees of the Trust Funds. A smaller issue is the permit fee income coming to the town; it was recommended that the fee be put in the general fund until the town decides to create a special revenue fund to dedicate funds to Parkway itself. Finance estimates the interest income at

\$72,145 and permits/donations at \$23,776. When the Town Manager's Office received the letter from the state, Mr. Dean felt it made sense to move this money to the Trustees of the Trust Funds, and that is his recommendation, but he wants to ensure that the town doesn't violate the terms of the Ambrose Swasey Trust.

Ms. Gilman asked whether they'd put the permit income in the general fund under a special revenue account. Mr. Dean responded that they would just set it aside until the town can decide how to handle those funds. Ms. Gilman asked if that is what's happening right now, and Mr. Dean said no, that Trust income and permits income are going to a Citizen's Bank account held by the Swasey trustees.

Ms. Surman said that there was a Memorandum of Understanding of 1997 which outlined what the trustees are doing. There was an option to dissolve the Trust after 50 years, but the Board chose not to, and instead created a Memorandum of Understanding, which is not a document they can ignore. She asked if the intention is to take the money away from Key Bank, and Ms. Gilman responded no, that she was just talking about the dividend income. Ms. Surman asked why they don't want the Trustees of Parkway to continue their administration. Mr. Dean responded that the Charitable Trust division under the Attorney General said it should not be administered that way. The Trustees of the Trust Funds are the only ones authorized under the RSAs.

Mr. Clement asked if other funds go directly to the Trustees of the Trust Funds, or if funds can be under their supervision, but still form a separate town fund. Ms. Gilman suggested the Robinson Seminary fund as an example, where the Trustees take donations and invest the interest. Mr. Clement asked if the interest dividends could go into a town-authorized capital reserve fund dedicated to the maintenance and upkeep of the park as intended by the Trust. Mr. Dean responded that the Trustees of the Trust Funds are custodians of the funds and invest the funds. The authority to spend that money is outlined by the town meeting, and the Select Board is the agent of those funds. The Ambrose Swasey Trust does not mention Trustees, the Trustees were created by town meeting, not through the Trust instrument. The clearest indication of how to spend this money is the Memorandum of Understanding of 1997.

Ms. Cowan asked what this means functionally. Ms. Gilman wondered whether bills would be handled by the Selectmen, and Mr. Clement responded that the town legislative body could decide who handles them. Mr. Dean stated that Section 13 of the 1997 MOU with the Swasey Parkway Trustees talks about applying to the Trust company designated under the Trust agreement for the funds deemed by the Trustees as needed for maintenance of the Parkway. He interprets that to mean that the Board will apply for the dividend money to the town, and this is the process to spend the money. Ms. Cowan asked whether the question of who administers the dividends would be put to the voters. Ms. Surman said that it makes sense to have the Trustees expend that capital, since they're the stewards of the Parkway. Mr. Clement suggested that the MOU spelled it out pretty well and has worked well until now. The road is the town's authority, while the maintenance of the park surrounding it is the Trustees'.

Ms. Surman and Ms. Cowan asked the Trustees for their input. Gerry Hamel said that the Select Board has had the authority to take over everything since 1979, but the MOU of 1997 kept things rolling, at the time Key Bank was doing a good job investing the money, and the Select Board let the trustees take care of the Parkway. Mr. Hamel asked, will they eliminate the Trustees, and take the money from Key Bank to bring the fund into Exeter? He would like to see Key Bank continue to control the money, since the financials show that the Trust itself has gone

up by \$21,650 since 2010, from \$267,644 to \$289,294. The Trustees have also been paid off quarterly for the last eight years, for a total of \$106,320. The bottom line net gain is \$127,900, which is quite substantial, and the town may not have the financial capability to generate money like that. He said that the Trustees have been taking that money and stockpiling it to build a bathroom on the Parkway; the goal was \$100,000, and as of today, they're very close at \$99,640. He believes that the Parkway Trustees should oversee the Parkway, since the Select Board has a lot of things on their plate, while the Trustees only deal with the Parkway. Ms. Cowan asked if Mr. Hamel was in agreement with the Attorney General's office that they should move the dividends to the Trustees of the Trust Funds. Mr. Hamel said yes, as long as the Swasey Trustees have funds to spend on the Parkway.

Florence Ruffner, the chair of the Swasey Park Trustees, asked what the town attorney said about the letter from Mr. Donovan. Mr. Dean responded that in an email from Aug 13th Town Attorney Mitchell wrote that he was pleased that the town is taking steps to terminate the Trust, although Mr. Dean clarified that that action wasn't yet planned, and to pay the corpus of the Trust directly into the care of the Trustees of the Trust Funds, so he is in agreement with Mr. Donovan. The town attorney also wrote in response to a concern of Mr. Donovan's that the Trustees are validly optional public officers, but questioned whether they are bonded. The Town Office checked this point and it is a non-issue, they are bonded under the town's general liability insurance. The town attorney also wrote that fees for Swasey Parkway use should be paid to the Trustees of the Trust Funds. He asked the town to consider whether the fees should go into a separate fund or added to the general fund as a surplus or undesignated funds. He suggested that if the Selectmen are taking steps to terminate the Trust, amending the MOU agreement is not necessary, from which Mr. Dean inferred that if they are not planning to terminate, an amendment will be necessary. Ms. Gilman said that the issue with the MOU is that in section 12A it describes the funds as going to the Selectmen, but currently they're not going to the Board. She suggested that they sort out a Trustees of the Trust Funds fund and determine who is authorized to spend the money.

Swasey Parkway Trustee Mark Damsell suggested that they consider the big picture of the park and the wishes of Ambrose Swasey. It was meant to be a parkway for the public to enjoy. As stewards of the park, the Trustees need the funds to ensure the upkeep of the park, including tasks such as seeding, tree removal, aeration, and pruning shrubs. Mr. Damsell was concerned they haven't had a meeting to discuss the implications of the August 9th letter. Ms. Gilman responded that this meeting was only informational; the board recognizes the good work that the Trustees do, and this is just a bookkeeping matter. Ms. Surman stated that because everything's in limbo, the park is not being maintained.

Mr. Dean summed up by saying that the administrative issue of putting the Trust into the hands of the Trustees of the Trust Funds could be resolved quickly, and once that is complete, the Select Board can work out with the Trustees how to proceed on spending those dollars. The Town Manager is not responsible for being compliant on trust funds controlled by others, so he can only advise, not decide the issue. Mr. Clement said that he supports bringing the investments from the trust fund under the town umbrella. He asked, and Mr. Damsell confirmed, that the interest from Key Bank and the fees from permitting go into just one bank account. Mr. Clement suggested that until the Town Meeting in March, the Swasey Park Trustees should take the money not generated from interest and spend it as they vote to do so for maintenance of the park. He described the Conservation Fund, which is a capital reserve fund used by the

Conservation Commission, where they expend money based on a Commission vote, while the Town Treasurer is the custodian of the fund. He suggested the Swasey Parkway maintenance funds could be similarly administered, where the fund is on the town books, and they reaffirm at Town Meeting the authorization of the duly annually elected trustees to spend that money. They should separate the interest money from the permit money until the town votes in March, so that they can spend appropriate moneys for maintenance using the permit money. Ms. Cowan said that his suggestion sounds really reasonable.

Ms. Gilman raised the issue of a \$10,000 line item authorized by the Town each year. Mr. Dean said that this fund pays for maintenance and mowing. Mr. Hamel clarified that there are two line items, \$950 for electricity and \$10,000 for general care. All of the money is held in the Finance office; the initial bills are paid with town money, and if it exceeds that amount, it comes out of the Trustees' account. Mr. Clement wanted to keep this arrangement as-is, but Ms. Gilman was concerned that it was intended to be a one-time line item. Mr. Clement countered that they should discuss that at budget time. Mr. Hamel stated that they expend about \$15,000 a year on maintenance, and if they lose that \$10,000 it will wipe out the Swasey account.

Ms. Ruffner said that the letter doesn't say they can't pay the bills. Ms. Gilman said that it was just a matter of bookkeeping. Mr. Clement stated that they should make a motion to have Mr. Dean draft a warrant article pertinent to a capital reserve fund and who's authorized to expend from it, and put it before the voters in March. The fees for park use could be put in that fund. Mr. Dean said that for the interest income, no warrant article is necessary; putting the money into hands of the Trustees of the Trust Funds is an administrative action with the bank itself. Fees generated from the permits would go into the capital reserve fund, constructed for the Town Meeting. Mr. Clement asked if the interest from Key Bank could also be put into the capital reserve fund. Ms. Gilman wanted to make sure that the money is dedicated to the Parkway, which means a separate account. She ended by saying that the Board will determine the next steps, and the Trustees should continue their maintenance of the Parkway.

3. Board Interviews - Conservation Commission

The Select Board moved downstairs to conduct interviews for the Conservation Commission. The meeting reconvened at 7:04 PM.

4. Public Comment

Gerry Hamel of the Swasey Trustees expressed his concern about the cost overage and the delayed timeline on the water/sewer treatment plant. He asked if the Board had information for the public on this project.

MOTION: Mr. Clement moved to go to Regular Business: Water/Sewer Abatements. Ms. Surman seconded. All were in favor.

Ms. Gilman introduced the abatement request of Steve and Linda MacNeill of 187B Front Street. The MacNeills were not present at the meeting. The Water and Sewer department identified the cause as a leaking toilet. Mr. Clement said that in the Town Ordinance, if the cause of consumption is related to customer negligence, the customer shall be held responsible for entire bill, so he would vote to not grant abatement. Ms. Cowan said that the Board had

granted abatements in the past, so she was not in favor of not granting them. Ms. Surman said that historically when they've gone against the ordinance, they've been concerned with pipes that were frozen and people have no knowledge, while leaky toilets are much more in the control of the homeowner. She said that she was not in favor of this abatement. Mr. Clement observed that there were nine abatement requests, and as they start granting abatements, more are going to come forward. Revenue needed to run the water department will be lost, and they will dip into the Reserve Fund and then raise rates, until everyone else who uses the service will pay for these abatements.

MOTION: Mr. Clement moved to deny the abatement request for 187B Front Street. Ms. Surman seconded. Mr. Clement, Ms. Surman, and Ms. Gilman voted yay, while Ms. Corson and Ms. Cowan voted nay. The motion passed 3-2-0 and the abatement was denied.

Mr. Dean introduced the abatement request of Nancy Cyr, which he described as a similar issue. Mr. Clement commented that they sent out the meter to be tested. Ms. Cyr's daughter stated that Ms. Cyr went to California for the winter and had someone turn the water off in October and back on in April, so she can't understand a bill for nearly \$3000 for that period. Ms. Gilman said that Water & Sewer found that the meter was not recording correctly, but Mr. Clement pointed out that it was actually under-recording. Ms. Cowan asked if Ms. Cyr had had any plumbing work done, and her daughter responded no, the water was completely shut off, and the water bills are back to normal now. Ms. Corson stated that the major leak was between May 7 and May 12, and it was established that Ms. Cyr got back May 11 and the water was turned on May 5th. Ms. Cowan said that they've done this for others and she's not comfortable not granting this abatement. Mr. Clement said that if there is an accurate or under-recording meter, the customer shall be responsible for the entire bill, but he questioned what was done with the testing of the meter in this case.

MOTION: Ms. Corson moved to abate the amount of \$148.31 for Nancy Cyr at 20 1st Street for Water & Sewer abatement; the new bill would be \$309.27. Ms. Cowan seconded. Mr. Clement said he needed more information about the meter testing process. Ms. Corson, Ms. Cowan, and Ms. Gilman voted yay, while Ms. Surman and Mr. Clement voted nay. The motion passed 3-2-0 and the abatement was granted. Ms. Cyr questioned what happens next, and Mr. Dean said that the Town Office will reach out to the customer with a bill adjustment.

Ms. Cowan mentioned that she will encourage the Water & Sewer Advisory Committee to meet to review the abatement policy.

MOTION: Mr. Clement moved to deny the abatement for Hartmann Oil of Colcord Pond Drive, since a leak was identified. Ms. Surman seconded. Ms. Corson said that it was an underground leak, exactly what they had talked about as being eligible for an abatement. Mr. Clement said that if it occurs on your property, you are responsible. Ms. Corson said that it never went to the sewer system, so she hoped they calculated this so they weren't charged for the sewer portion; Ms. Gilman wanted that clarified. Ms. Surman and Mr. Clement yay, while Ms. Corson, Ms. Gilman, and Ms. Cowan voted nay, and the motion failed 2-3-0. Ms. Corson would like to know the sewer portion of the water that is leaking.

MOTION: Ms. Cowan moved to table the abatement. Ms. Corson seconded. Ms. Corson, Ms. Gilman, and Ms. Cowan voted yay, while Ms. Surman and Mr. Clement voted nay. The motion passed 3-2-0 and the abatement was tabled.

The next abatement application was from Matthew Greene for the property of 5 Allard Street. Mr. Dean introduced this as another leaking toilet issue. Mr. Greene was not present at the meeting.

MOTION: Mr. Clement moved to deny the abatement for 5 Allard Street. Ms. Surman seconded. Mr. Clement, Ms. Surman, and Ms. Gilman voted yay, while Ms. Corson and Ms. Cowan voted nay. The motion passed 3-2-0 and the abatement was denied.

Next was Maureen McHugh of Hayes Mobile Park. She stated that she was unaware of the leak, which was behind her trailer, and her water bill had doubled. Ms. Cowan asked what steps she had taken to correct the leak; Ms. McHugh responded that when she received the bill, she had notified the park attendant immediately to fix the problem. Ms. Cowan told her that she could receive one abatement in ten years, and asked if she wanted to use it here. Ms. McHugh said that she did. Ms. Corson said the amount of the abatement would be \$47.61, and Ms. Gilman explained that the calculations are based on the average usage and the overage over three years.

MOTION: Ms. Corson moved to abate \$47.61 for 99 Hayes Park for the Water & Sewer bill. Ms. Cowan seconded. Ms. Corson, Ms. Cowan, and Ms. Surman voted yay, while Mr. Clement voted nay; Ms. Gilman did not vote. The motion passed 3-1-1.

Next was Bailey Dangora of 10 Pleasantview Drive. Mr. Clement commented that the issue was a leaking toilet, which was corrected. Ms. Dangora said that they had purchased the house in September of 2017 and had had a complete inspection, they didn't expect any leak. They had it fixed immediately.

MOTION: Ms. Cowan moved to approve an abatement in the amount of \$309.83 for the property at 10 Pleasantview Drive. Ms. Corson seconded. Ms. Cowan and Ms. Corson voted yay, while Mr. Clement, Ms. Gilman, and Ms. Surman voted nay. The motion failed 3-2-0 and the abatement was denied.

Next was the application of Paula Parrish of 200 High Street. Ms. Parrish said when they turned on the main for the sprinkler system, 35,000 gallons leaked into the ground. Water and Sewer looked at the meter when everything else was turned off and found that the sprinkler system was the cause. Mr. Clement countered that the report from Water & Sewer had no mention of an issue other than a leaking toilet. Mr. Dean said that it's possible that 35,000 gallons could come from a leaky toilet alone. Mr. Clement did not want to act without further information, and wanted to table the abatement. Ms. Parrish suggested that there should be an alert that tells you when the leak starts. Ms. Corson informed her that the city is actually getting closer to that, and now has spot checks when water usage has spiked. Mr. Clement observed that the high usage in this case was inconsistent, going back and forth between high volume and lower volume.

MOTION: Mr. Clement moved to table the abatement application. Ms. Surman seconded. All were in favor. Ms. Gilman said that the board will raise the issue again with the Water & Sewer department.

Next was an abatement application from Edda Martin and 127 Water Street Realty LLC. Ms. Martin said that the building has 6 bathrooms whose toilets were all replaced last fall. The new toilets started leaking but the tenants didn't report it, and she received a bill for \$3600.

MOTION: Ms. Corson moved to abate the amount of \$1861.61, so the new bill total would be \$1812.26 for the property of 127 Water Street Realty. Ms. Cowan seconded. Mr. Clement contended that the problem is the homeowners', and suggested going after the plumber that

installed these toilets. He felt that granting the abatement would be putting the burden on other ratepayers. Ms. Corson and Ms. Cowan voted yay; Mr. Clement, Ms. Surman, and Ms. Gilman voted nay. The motion failed 2-3-0 and the abatement was denied.

5. Proclamations/Recognitions

There were no proclamations or recognitions at this meeting.

6. Approval of Minutes

a. September 10th 2018

Mr. Clement said that on page 2 in the section on Liberty Utilities, he wanted "wastewater treatment plant" changed to "wastewater treatment plant *site*."

MOTION: Ms. Corson moved to approve the September 10th 2018 minutes as amended. Ms. Surman seconded. All were in favor.

b. September 17th 2018

Mr. Clement said that on page 7 in the 2nd paragraph, it should read Mr. Clement *asked* who does the programming.

MOTION: Ms. Corson moved to approve the September 17th 2018 minutes as amended. Ms. Surman seconded. All were in favor.

7. Appointments - COAST Representative Board of Directors

MOTION: Ms. Corson moved to approve the appointment of Dave Sharples to the COAST Board of Directors. Ms. Cowan seconded. All were in favor.

Ms. Corson asked if they need an alternate, and Mr. Dean volunteered.

MOTION: Ms. Corson moved to approve Russ Dean as the alternate. Ms. Cowan seconded. All were in favor.

8. Discussion/Action Items

a. Chief Comeau re: FEMA EAS test

Fire chief Brian Comeau discussed the national test of the Emergency Broadcast system and wireless emergency alert system on Wednesday, Oct 3rd at 2:18 PM. It will affect radio, telephones, NOAA systems, internet applications, and wireless. Ms. Gilman stressed that the public's personal information is protected. Mr. Comeau asked the Town Manager to announce the alert on the Facebook page.

Chief Comeau also said he had met with FEMA representatives about the late reimbursement for the March snowstorm. The totaled assessment for the snowstorm emergency was \$89,000; their reimbursement rate is 75%, so the town should be receiving a check for \$67,000.

b. Holiday Parade Discussion

Ms. Gilman said that she and Ms. Corson asked for the holiday parade to be on the agenda after the permit request for December 8th. For more than 60 years, the parade has been on the first Saturday of December. She had heard feedback from business owners and concerned parties about the change. She remembered the consternation that arose when the Memorial Day parade was moved by half an hour, and that raised concerns about this big move. She said that Mr. Thompson had assured them that all the parts of the parade will be together,

so she's not worried about logistics; it's more about the participants in the parade and business owners. A change in the date would change their expectations for the season.

Ms. Corson said that she'd talked to several business owners who were concerned about the change because in that December period they do 25-30% of business for the year. The parade eats into their sales because parking is taken off the road in the afternoon. The change also affects the Ring in the Season events, and the Prescott Park Arts Festival is having a play downtown at the same time as the parade. She said that Mr. Thompson has been doing it for a long time so this would be a big change for the parade, not sure if it can go off as planned, looking for discussion. Ms. Gilman was concerned that they haven't heard from anyone else on the committee.

Ms. Surman said that the parade committee is not a town committee. They get money from the town, but also donations. The Select Board role is to approve their permit. If there's nothing wrong with a permit, does the Board have the authority to deny it? She was not as concerned about the parade's date change, since it's still early in the season. Ms. Gilman said that her question at the time was whether the date change was the committee's decision. Now that doesn't seem to be the case, and she's wondering what action the Board can take. Ms. Corson said a number of the town's merchants told her how difficult it has been with the internet, and for the town to take away a Saturday that is closer to Christmas in prime shopping time doesn't work. She said the Board needs to make sure the town is economically viable. Mr. Clement said that this should have been the committee's call; it sounds like it wasn't, but he doesn't want to get involved in the committee.

Ms. Cowan said that if there are concerns about changing the date, they should have come to the Board before they took this vote. It's important to pay attention to what's on the Select Board agenda. However, she also said that merchants downtown are crucial to the fabric of the town, and she doesn't want to dismiss their concerns. If the date change wasn't a broad consensus, the Board may need to step up their role and correct this. Ms. Gilman agreed with Ms. Surman that they only approve permits, but they can send a message to Mr. Thompson and the committee to ask them to reconsider. Ms. Corson pointed out that the Chamber sent them a letter. Ms. Gilman read that the Chamber is in favor of retaining the original date because of Prescott Park Arts Festival, the Holiday Open House, and the Festival of Trees. Ms. Surman felt that having the parade on the following weekend was a reason for people to come back into town, and that the parade impacts business owners either way. Ms. Gilman asked for public comment.

Margaret Demopoulos, Chairman of the Board for Exeter Fine Crafts, said that the change is detrimental to the merchants of downtown. In the first weekend of December, when there is a parking ban, her gallery sales are terrible. If the board moves the parade to a later day, they'll put people out of business. The parade is traditionally on the first Saturday of December; if it's not then, people are not going to come back at all.

Beth Dupell of the Holiday Parade Committee said that this decision was not vetted properly. The committee did not meet to discuss it; their first meeting of the season is scheduled in two weeks. Mr. Thompson asked her opinion on the change in June and she said no, but that if the rest of the group wanted to move forward she was just one voice. However, the committee did not meet. Mr. Clement asked how quickly they can get the committee together. Ms. Dupell replied that Tuesday October 9th is the first meeting, but they don't typically make decisions of this magnitude. Ms. Cowan asked if it were true that the parade would not go on without the

managing director there, as he claimed. Ms. Dupell said no, there's a community behind the parade and it doesn't depend on a single person. Ms. Gilman acknowledged that Mr. Thompson is valuable, but felt they also need to prepare for succession. She was glad that Ms. Dupell came forward because it let people know they need new people to join the long tradition.

Ms. Cowan said that the more that she hears the fuller picture, the more comfortable she was saying we didn't hear all sides. To her, it sounded like this was a case of inconveniencing one person versus inconveniencing the entire town. She thought that if they don't move it, the parade wouldn't happen, but that's not reality. This needs to be a community building thing, not tearing this town apart.

MOTION: Ms. Cowan moved to rescind the permit. Ms. Corson said that she would like the committee to meet before that action. Mr. Clement suggested that they try to resolve this internally and come back to the Board. The motion was not seconded.

Ms. Demopoulos asked what she should tell her membership about the parade date. Ms. Gilman said that there is still an opportunity to change, and they should know by October 15th. Ms. Corson said that they will know by October 9th, when the committee meets. Ms. Gilman said the Board will amend the permit, but Ms. Surman felt that they needed a new permit. Ms. Gilman encouraged everyone to attend the Holiday Parade meeting in the Wheelwright Room on Wednesday.

c. DPW Loader Lease/Purchase Financial Documents

Mr. Dean stated that last March, the town voted to purchase a new loader for the Public Works department in Article 17 of the 2018 ballot. That article did pass, so he presented three quotes for a John Deere loader 644K model. The grant of the financing went to Tax-Exempt Leasing Corp., fixed at 3.88%. This company specializes in working with municipalities on large equipment, and are typically the most competitive option. Mr. Clement asked what the town gains from leasing. Mr. Dean responded that it allows them to spread out costs over time, manage the fleet and keep it younger, and the vehicle replacement program is stronger. Otherwise the budget doesn't have the bandwidth to replace three of these in one year. Mr. Clement said that they're only discussing one piece of equipment, and it would save \$16,000 over a five year period. Mr. Dean said that the cost is paid by taxes no matter what, and the interest is \$14,696 over the term. Ms. Corson suggested that this conversation could be part of the budget meeting, and the warrant article says "lease it."

MOTION: Mr. Clement moved to approve the lease for the DPW 2018 John Deere loader to Tax-Exempt Leasing at the stated interest rate of 3.88% for five years. Ms. Surman seconded. All were in favor.

d. Holland Way Economic Revitalization Zone Proposal (ERZ)

Darren Winham presented a proposal to make an area of Holland Way into an Economic Revitalization Zone. Currently, there is interest in several parcels in this area, and they are working on a right of way. The state is looking to incentivize the expansion of one of these properties by putting it in an ERZ. This approval doesn't have to go through the NH Legislature. They only need a recommendation from the Select Board to put it in an ERZ and then send it to commissioner to move forward. There will be no detriment to the Exeter taxpayer; this affects state taxes only. The businesses will be hiring people and investing money. Ms. Gilman asked how big of a credit they'll get. Mr. Winham said that of the Epping Road businesses, almost all have taken advantage of the credit. Ms. Gilman was concerned that the program ends in 2020, but Mr. Winham responded that there will be a pretty big push to convince the legislators to

keep it going. Ms. Gilman asked if they needed voter approval, and Mr. Winham said no, historically it's simply been up to the board. Mr. Clement asked if the town could hurt itself by having multiple ERZs, but Mr. Winham said no. Ms. Corson asked whether it works with uses that are allowed in this area. Mr. Winham said yes, there's no need to go to ZBA for any of the uses they're looking at.

MOTION: Ms. Corson moved to designate the following properties to be in the Economic Revitalization Zone: Map 52 Lot 112; Map 51 Lot 17; Map 65 Lot 123; Map 66 Lot 1; Map 66 1-1; Map 66 Lot 2; Map 70 Lot 103; Map 70 Lot 101; Map 69 Lot 39. Mr. Clement seconded. All were in favor.

e. 2018 School Impact Fees Release

Mr. Dean presented the latest balances of the school impact fees. The Finance offices conferred with the schools and recommended \$150,000 total be released to offset the tax rate, \$75,000 would go to the co-op, \$75,000 for the local school district.

MOTION: Mr. Clement moved that the Select Board release a total of \$150,000 in school impact fees, \$75,000 of those fees going to the co-op for High School debt service \$75,000 to the local school district to offset costs of the Main Street School bond. Ms. Cowan seconded. All were in favor.

f. FY19 Preliminary Budget Discussion

Ms. Gilman prefaced the discussion by saying that the budget committee is starting their subcommittee work, so she doesn't want to go into the line items. Mr. Dean said that there are new personnel being requested in the FY19 budget. This is a first cut, the numbers will be more real when they receive their health insurance rating at the meeting of the Health Trust the next week. Overall, they are proposing a 4.17% increase over last year's budget article. The proposal is \$19,424,542 vs \$18,646,644 in FY18. The table on page 5 of the budget narratives shows the approved budget in March and adds into that number the DPW loader, Engine 4 replacement, and the police collective bargaining agreement; with those items factored in, the FY19 number is a 3.12% increase. The main drivers of the budget were benefit costs, upticks in the solid waste budget, and a personnel cost increase of \$238,000, with the majority of that going to two new firefighter/paramedics requested by the Fire Department. There are also a series of bond articles, the library design renovation construction for \$4.5 million, the Parks and Rec design engineering which they got down to \$250,000 as part of the CIP process. There are several warrant articles queued up for discussion: a dispatch upgrade which was in the CIP; an LED street light project with a five year payback period; and a sidewalk program in Public Works. Several capital reserve funds have been proposed. One is a \$100,000 Parks Improvement Fund, which would function as a short-term savings account for parks improvement projects identified in the CIP. Another is a vehicle and equipment replacement fund for smaller-scale vehicles: light duty vehicles, pickups, and things normally bought with cash. Also proposed is a \$50,000 Intersection Improvements Fund, since they're still hearing a need for updating some troubling intersections, and an ADA Capital Reserve Fund, so they can have plan available for ADA compliance issues and ensure that the town meets the requirements for federal funding.

Mr. Clement expressed his disappointment that the budget was not presented to the board for comment and review before it went to the budget committee. Ms. Gilman responded

that there have been years where the board didn't get a presentation; Mr. Clement insisted that this had not happened in his nine years. Mr. Clement said that there is less respect for the Select Board's responsibility to present a budget to the voters of the town, but he takes that responsibility seriously.

Mr. Clement said that on page 3, the budget mentions implementing an analytics review, and he would love to have a presentation on that. Also on page 3, it says that the town has \$150 million in non-taxable value in land and buildings, but it should be \$184 million, according to the current MS1. Mr. Dean said that the non-taxable value just changed. Mr. Clement then asked if the town did a COLA (cost of living adjustment) for FY19; Mr. Dean said no, it's a step only. Mr. Clement said that he understood that they tried to break out personnel request costs but he wished they could have gone through and weeded them out. Ms. Gilman said they had that discussion at the budget committee meeting the week before; they're taking a different approach to personnel. She understood his concern for not having total number for each department, they should see what it costs per department too. Mr. Dean wanted to point out that on the step, that is consistent with the police contract. Mr. Clement asked if there would be any collective bargaining this year; Mr. Dean said yes, Fire and Public Works. Mr. Clement said there could potentially be a CBA for them on the ballot, and Mr. Dean confirmed.

Ms. Gilman listed the budget committee meetings: the general government all-day recommendations meeting starts at 8:30 AM on Friday October 19th, the rest of the meetings start at 6:30 in the evening. The first subcommittee meeting is on Wednesday October 24th, Recreation, Library, Welfare, Human Services. Thursday, November 1st, Public Works. Monday November 5th, Police and Fire. Thursday November 8th is Water & Sewer. Wednesday November 14th is the CIP wrap-up of the budget. Reserving November 27th and 28th. The all-day meeting will be televised, not the subcommittee meetings, but they are open to the public.

9. Regular Business

a. Tax, Water/Sewer Abatements & Exemptions

MOTION: Ms. Cowan moved to approve an abatement in the amount of \$34,035.68 for the year 2016 for Map 62 lot 112. Ms. Corson seconded. Ms. Surman asked if that is Great Bay Kids, and that was confirmed. Ms. Cowan and Ms. Corson voted yay; Ms. Gilman, Ms. Surman, Mr. Clement voted nay. The motion failed 2-3-0. Ms. Corson and Mr. Dean pointed out that this was a court-mandated abatement.

MOTION: Ms. Gilman moved to reconsider the vote on the abatement in the amount of \$34,035.68 for the year 2016 for Map 62 Lot 112. Ms. Cowan seconded. Ms. Cowan, Ms. Gilman, and Ms. Corson voted yay. Mr. Clement and Ms. Surman voted nay. The motion passed 3-2-0.

MOTION: Ms. Cowan moved to approve the abatement in the \$34,035.68 in the year 2016 for Map 62 lot 112. Ms. Corson seconded. Ms. Cowan, Ms. Gilman, and Ms. Corson voted yay. Mr. Clement and Ms. Surman voted nay. The motion passed 3-2-0 and the abatement was granted.

MOTION: Ms. Cowan moved to approve an abatement in the amount of \$3,533.86 in the year 2016 for Map 62 Lot 113. Ms. Corson seconded. Ms. Cowan, Ms. Gilman, and Ms. Corson voted yay. Mr. Clement and Ms. Surman voted nay. The motion passed 3-2-0 and the abatement was granted.

MOTION: Ms. Cowan moved to approve an abatement in the amount of \$37,852.78 in the year 2017 for Map 62 Lot 112. Ms. Corson seconded. Ms. Cowan, Ms. Gilman, and Ms. Corson

voted yay. Mr. Clement and Ms. Surman voted nay. The motion passed 3-2-0 and the abatement was granted.

MOTION: Ms. Cowan moved to approve an abatement in the amount of \$18,926.39 for the first billing in 2018 for Map 62 Lot 112. Ms. Corson seconded. Ms. Cowan, Ms. Gilman, and Ms. Corson voted yay. Mr. Clement and Ms. Surman voted nay. The motion passed 3-2-0 and the abatement was granted.

MOTION: Ms. Cowan moved to approve a land use change tax warrant in the amount of \$301,600 for Map 47 Lot 8. Mr. Clement seconded, and asked if that was money coming to the town. Mr. Dean said yes, and that the entity that is billed for land use change tax has up to 18 months to pay it. Ms. Corson seconded. All were in favor.

b. Permits & Approvals

MOTION: Ms. Corson moved to approve the application for Town Hall use October 20th from 9 AM to 4 PM by Catherine Steward for the Russian Ballet Academy. Mr. Clement seconded. All were in favor.

MOTION: Ms. Corson moved to approve the the application for Town Hall use by Exeter Area Chamber for an Ambassador Meeting on the first Thursday: 10/4/18,11/1/18,12/6/18, and 1/3/19 at 8 AM to 9:30 AM. Mr. Clement seconded, and noted that the application was for the ticket office room, not all of Town Hall. All were in favor.

MOTION: Ms. Corson moved to approve the application for the old ticket office Town Hall facility by Exeter Area Chamber Fast Trak Meeting monthly on the second Tuesday of the month: 10/9/18,11/13/18,12/11/18, and 1/8/19 from 8 AM to 9:30 AM. Ms. Surman seconded. Mr. Clement asked if this will be a monthly occurrence looking to use facilities in Town Hall. Ms. Gilman said that it's the small meeting room and early in the morning. Mr. Dean said that the current policy is four uses and then repermitting. Mr. Clement asked if because they are a non-profit, were they not charging them? Ms. Corson responded yes, under the current policy. All were in favor.

MOTION: Ms. Corson move to approve town hall facility use for Bobbi from the Exeter Area Chamber for the monthly Ambassador Meeting from 11:15 to 1:45 on 11/15/18,12/20/18, 1/17/19, 2/21/19. The motion was not seconded. All were in favor.

MOTION: Ms. Corson moved to approve the application for Exeter Area Chamber Travel Meeting on 10/30/18 from 5 - 8 PM. Ms. Surman seconded. All were in favor.

MOTION: Ms. Corson moved to approve the Swasey Parkway use application for the 5th annual TEAM Fall Equinox Festival on 9/21/19 from 8 AM to 6 PM. Ms. Cowan seconded. Mr. Clement asked if there were a fee charged for this in the past; Mr. Dean said he didn't think so. Mr. Clement asked if it falls under the fee structure. Mr. Dean will look into that. Ms. Gilman, Ms. Corson, and Ms. Cowan voted yay; Ms. Surman voted nay, and Mr. Clement abstained. The motion was approved 3-1-1.

MOTION: Mr. Clement moved to approve and sign the MS-535 financial report on the budget of Exeter for the period ending December 31, 2017. Ms. Corson seconded. All were in favor, and all signed.

c. Town Manager's Report

Mr. Dean has been working on the budget subcommittee and budget recommendation committee process. The long term nitrogen control plan was submitted to EPA. He was able to attend the ICMA Conference in Baltimore, and heard a lot about the national "Intelligent Cities"

movement, which uses technology and analytics to improve efficiency and understanding in communities.

He said that the remaining side streets will be paved this week, weather permitting. High Street residents have had questions about the paving and castings work, and it's also supposed to be done this week. SUR, the contractor on the Epping Rd water sewer extensions, will be having a meeting at Neighborhood Beer Company Wednesday 10/3 at 6:30 PM, and the Town Manager's staff will be there. Mr. Clement asked if they are on schedule to get the water and sewer extension to the former King property, and Mr. Dean replied yes. Also, Mr. Dean said that the draft audit is completed for 2017; they'll be reviewing it one last time and then it will be final. Coming up after the audit, they'll have their annual conversation about fund balance and setting the tax rate, and he should have that info by the next Select Board meeting. For upcoming events: Saturday is the Powder Keg Beer and Chili festival. Monday is a holiday, Columbus Day, so Town offices will be closed. The budget recommendations all-day meeting will be held October 19th. October 20th is household hazardous waste day.

d. Select Board Committee Reports

Ms. Surman had nothing to report; she will be attending the E911 meeting tomorrow morning, and the Swasey Parkway Trustees meeting tomorrow night.

Ms. Corson said that she had had three weeks of Planning Board meetings. Rose Farm came in for the last two meetings and that's continuing. This past Thursday, they had the easement for Smith Building at 173 Water Street; the Select Board will see a letter from the Planning Board recommending they move forward with that. They had a design review for the site of Brad's Auto Body, they are proposing nine townhouses. The site is pretty much concrete, and they had some suggestions for them that will enhance the project.

Ms. Cowan had an MTAG kickoff meeting on Tuesday. They saw charrettes for what mixed-use residential housing could look like, and discussed how to talk with different stakeholders about mixed-use or affordable housing without being scary or off-putting.

Mr. Clement attended the Exeter River Local Advisory Committee (ERLAC); they will be embarking upon a social media campaign for public awareness in watershed towns: how they can improve stormwater for river water quality; how to maintain septic systems and make sure they're working properly; and information on reducing the amount of fertilizer use. They hope this campaign will help to reduce the nitrogen coming from the watershed towns. The Nitrogen Control plan with the EPA talks about what Exeter is doing, but other towns play a part.

He also mentioned that Oct 25th is the time for a potential new Comcast agreement, but that they haven't talked about it yet and he has some suggestions to bring to the board. Mr. Dean will have Ms. Miller come to the next meeting on October 15th.

Ms. Gilman said that September 16th was National Electric Vehicle week. They were expecting 15 people with hybrid or electric vehicles, but they got 35, and the downtown was really active. Also, the Heritage Commission demolition review team will be going out to Rose farm to look at old structures slated for demolition and investigate a rumored cemetery.

Mr. Clement asked Ms. Gilman about the Volkswagen settlement, which can be used to convert vehicles to lower emissions, such as converting fleets of busses or municipal vehicles from diesel to electric. Ms. Gilman responded that someone from DOT told her when the money comes in, which date is not yet defined, the state will take a piece, then offer the remainder to the counties, then municipalities, then citizens, if there is any left.

e. Correspondence

Enna Grazier supplied the text from her arts commission recommendation.

The Swasey Parkway trustees wrote to Jay Perkins about a tree in Swasey Park taken down for safety reasons.

Jerry's variety inquired about the percentage of blue bag fee which hadn't been communicated well. Mr. Perkins cleared it up, and businesses still do get a cut.

There was a communication from FEMA about the town's Letter of Map Revision discussing one property being removed from a flood hazard area. Mr. Clement said that this is 19 Garrison Lane, and asked if that were a town property. Mr. Dean said that the petition had to come from the property owner; he will look into whether it is private property.

The New Hampshire Lottery sent a letter about Keno 603, a revenue source that needs to be voted on by voters, allowing Keno in the town. Keno could only be established in businesses that serve food and liquor. Mr. Clement asked if the schools would gain any revenues if Exeter allowed Keno. Ms. Gilman said that she believed so, but that she had never been approached by the school board about it.

There was a letter from Beth Dupell regarding the holiday parade, and another asking if the Prescott Park Arts event was considered in the planning.

The Fire Department invited the board to Jeff Liporto's retirement party on October 11th. Finally, there were the COAST meeting minutes from July.

10. Review Board Calendar

Upcoming board meetings will be on October 15th, October 29th, November 12th and November 26th.

11. Non-Public Session

There was no non-public session.

12. Adjournment

MOTION: Ms. Corson moved to adjourn the meeting. Ms. Surman seconded. All were in favor and the meeting was adjourned at 9:35 PM

Respectfully submitted,
Joanna Bartell
Recording Secretary