

**MINUTES**  
**SELECT BOARD**  
**TOWN OF PETERBOROUGH**  
Tuesday, February 25, 2020 – 5:00 PM  
1 Grove Street, Peterborough, New Hampshire

**Present:** Tyler Ward, Karen Hatcher, Bill Taylor

**Also Present:** Rodney Bartlett, Nicole MacStay, Alison Kreutz, Leo Smith

*(Starting at 6:00 PM)* Budget Committee: Ronald Patten (Chair), Ed Henault, Bob Hanson, Richard Clark, Ron McIntire, Carl Mabbs-Zeno, Donald Parkhurst, James Long

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Chair Ward opened the meeting at 5:00 PM.

Chair Ward made a motion to enter a Non-Public session, required pursuant to RSA 91-A:3 II(a) (personnel)

Roll call vote to enter Non-Public Session:

Chair Ward: YES

Ms. Hatcher: YES

Mr. Taylor: YES

Roll call vote to exit Non-Public Session:

Chair Ward: YES

Ms. Hatcher: YES

Mr. Taylor: YES

Public meeting resumed at 6:02 PM

Ms. Hatcher made a motion to seal the minutes of the Non-Public Session. Chair Ward seconded. All in favor. Motion passed.

*Letter of Support for The Mariposa Museum*

Chair Ward informed the group that David Blair of the Mariposa Museum had requested a Letter of Support from the Select Board. The roof of the Museum is in need of new shingles, and they are applying for a grant in the form of tax credit equity from the New Hampshire Community Development Finance Authority.

Chair Ward read the Letter of Support:

“To the New Hampshire Community Development Finance Authority,

We, the Select Board of Peterborough, value the work of the Mariposa Museum, which brings the rich diversity of world cultures to our small town through education programs, exhibits, performances and workshops, and also provides a unique place for people of all ages to celebrate our common humanity. The Museum is a vital part of our community, which prides itself on the opportunities for cultural and artistic enlightenment that can be found here.

The Mariposa Museum occupies a historic building on Main Street in our downtown. We understand that the building's roof is in serious need of new shingles, and unnecessary delays in repairs could further compromise the integrity of the roof. We would like to see the building's integrity maintained so that Mariposa's programs can continue to benefit the community. We therefore support the Mariposa Museum's application for a grant in the form of tax credit equity.”

*Motion:* Ms. Hatcher made a motion to sign the Letter of Support for the Mariposa Museum.

*Vote:* Mr. Taylor seconded. All in favor. Motion carried.

*Appointment of Libby Reinhardt & Gregory Kriebel as alternate members of the Library Board of Trustees*

*Motion:* Mr. Taylor made a motion to reappoint Libby Reinhardt & Greg Kriebel as alternate members of the Library Board of Trustees.

*Vote:* Chair Ward seconded. All in favor. Motion carried.

*Joint Select Board and Budget Committee Meeting*

Budget Committee Chair Roland Patten introduced the present members of the Budget Committee.

*Overall Budget Analysis*

Ms. MacStay said that the previous week the Budget Committee had been sent an Updated Budget Summary, Debt Schedule, and Budget Adjustments that have been made recently. There had been a lot of work done by Leo Smith and Rodney Bartlett.

Chair Patten said it all comes down to the bottom line. Ms. MacStay said we're looking at 2.4% increase over last year: "Very responsible."

*Adjustments*

- The new DPW Facility has moved out 6 months so the first debt service payment will land in FY 2022. Mr. Bartlett said that time will allow additional programming with DPW employees to ensure "everyone is on the same page." Cold storage will be built late this year, giving a chance to have the armory and main building cleared out with the expectation that they'll be renovated and rehabbed in 2021. This change accounts for a reduction of more than \$91,000.
- There is a reduction of GIS Capital Reserve from \$10,000 to \$5,000. The State has scheduled a flyover and, after reviewing some of the specs, Mr. Farashahi believes the State funded flyover will be adequate, so we can push out the next flyover by a few years.
- There is an increase in Assessing of \$24,000 for Corcoran Assessing Services to cover a statistical update of the valuation. Sales indicate that assessments are significantly off - Only about 90% of market value is reflected in sales, and we need to get "closer to whole."
- \$20,000 has been put into the Main Street Corridor Study, which will be offset by the Greater Downtown TIF.
- \$256,000 was put into West Peterborough TIF Roadway Improvements, which will be 100% offset by West Peterborough TIF
- \$45,000 will go towards upgrades for broadcast equipment and our server, but this will be 100% offset by PEG Station.
- Highway Department – Removing stormwater separation in the amount of \$20,000. We are currently working on updating inventory, and more work will come in future, so we're holding off on stormwater separation for the time being with the knowledge that money will be needed in the future.
- There was increase to interest and dividends, and a decrease in health insurance based on actual expenditures and projections.
- Added \$10,000 from Greater Downtown TIF to offset staff work being done in that TIF District.
- Highway Block Grant (federal funds) has unfortunately been reduced by \$40,000. Ms. MacStay made a note that there is \$89,000 in unanticipated revenue in this year's budget, but we are not expecting to see this in Plan 2022.
- Highway Street Lighting reflects what we're seeing for savings resulting from the LED conversion.
- Snowblower costs have been reduced by \$55,000.

There was a discussion about the presentation of the totals on the spreadsheet.

Mr. Bartlett said the proposed bottom line includes expenditures for all warrant articles passing, including new Fire Station and the Road Program, which will be covered at Open Session of Town Meeting in May. He said he has reached out to additional firms to see if we can reduce the costs of the new Fire Station. At Town Meeting, "we can amend it and make a reduction if it makes sense."

Mr. Taylor asked Fire Chief Ed Walker what his feelings were. Chief Walker said something is needed by November if the project is going to move forward, and there may be opportunities to economize. "We only intend to raise the money we anticipate we will spend."

Mr. Taylor asked how the budget looked if the warrant articles are not included: "Are we under budget if we didn't vote in anything new?" Ms. MacStay said the Operating Budget is at 0.1%. Adding the Debt Service, it's at 0.9%. Overlay and Tax Credits are considered separate, but if you add that in, you get to a 2.6% increase.

There was a discussion about the varying ways the budgets could be comparatively viewed (percentages vs. dollars, with warrant articles vs. sans warrant articles, etc.).

Mr. Taylor said that moving the work on the DPW Facility out a year was an example of "a can getting kicked." Mr. Henault said that things get moved in and out of the budget every year.

Mr. Clark asked what the Payroll Tax Pool was, and why did it decrease so sharply? Mr. Smith explained that payroll taxes were previously overestimated, across the board. Ms. MacStay added that, in the past, some of those taxes were inadvertently counted twice.

Mr. Hanson inquired about the OCD Permit Software. Ms. MacStay said the plan is to go forward with a package, but the exact value is yet to be determined. Mr. Smith said it's still in the budget as a pending item. Portions of it may be done in-house and phased in over time, to gradually improve the system in place now. The \$40,000 that is currently in the budget may be adjusted later, depending.

Mr. Taylor said, if the Road Program was reduced, or cost of the snowplow or PFR design came in lower, that the increase could be gone, theoretically. Ms. MacStay replied that it was theoretically possible, but unlikely, however it was possible that "we could get better numbers" on high-cost items approaching Town Meeting and could amend articles to reflect lower costs. Mr. Taylor said he like that to be the effort that we make. Mr. Taylor said it should be made very clear when talking to the public about what the Select Board and Budget Committee mean when they say it's a "very responsible" budget.

Mr. Henault pointed out that the new Fire/Rescue Facility "will not be a walk in the park," and there will need to be plenty of information to explain the benefits of that project to the public adequately.

Mr. Taylor said the new Fire Station is probably the greatest need in town, and every other line item needs to be as tight as possible. Chair Patten said that was the goal, and "that's what we've been doing."

Ms. Hatcher said she was interested to know where we're tracking for this year's budget, and what Mr. Smith is projecting for the rest of this year. Mr. Smith said he is in the process of that right now. Once the draft been run past Department Directors, they should have some projections to share with the Board.

Ms. Hatcher said "we always want to be as close to flat as we can be" and that she felt it was important to have some unassigned fund balance at the end of the process to use as emergency funds or to offset the tax rate.

Mr. Taylor said he wants to make sure everyone understands his comments about the budget are "not without the appreciation of how hard everyone works." He said everyone, be they department heads, on the Budget Committee, or Select Board, should be commended for their work.

Chair Patten thanked Mr. Taylor, and explained about the importance of looking at the cost of living increase provided by the Federal Government. "Bottom line is that we can't expect to use the budget we used five years ago to run today's government." Increases to things like equipment costs, building costs, and insurance can all drive budgets up. He said that he has been involved in the process for 40 years, and the cost of the

budget “should be very close to what the cost of living increase is.” Chair Patten said he believed that was somewhere in the 3% range this year.

Mr. Taylor acknowledged that, but said that didn’t mean people wouldn’t still look for ways to reduce things where they could.

Ms. MacStay said that if things change closer to April, we may come forward with an amendment to the Article (reducing the amount).

Chair Patten said, sometimes “we take things that are necessary and don’t endorse them,” kicking the can down the road. It was known fifteen years ago that the Fire Department was in desperate need of disrepair, and there are two sides to the process: What *can* we afford, and do we *need* to afford. “But we’re all in it together.”

Mr. Clark said, “we borrow money all the time and are living beyond our needs.” He said he knows the Town needs things, but “the way to finance them should be to pay for them.”

The group reviewed the spreadsheets and discussed the Debt Service and offsets. Mr. Mabbs-Zeno said the taxpayers need to know what they are responsible for, debt-wise. Ms. MacStay said that comes down to the Net Debt: \$902,283.00.

Mr. Clark said 5% was a lot to give to a bond holder. “We have great services...but we should find a way to have the services and also stop kicking the can down the road.” Mr. Mabbs-Zeno said the alternative was to pay for it all now, which would cause taxes to go up “astronomically.” Mr. Clark said that’s what he wanted to put in front of the taxpayers: “If you want it, pay for it.”

Chair Ward said putting those kinds of expenditures in front of taxpayers all at once rather than bonding them would result in “more being kicked down the road.”

Mr. Clark said residents almost always vote ‘yes’ on what the Budget Committee & Select Board recommends: “Let’s be cautious at what we’re giving them to vote on.”

Ms. Hatcher said the work that needs to be done (The Main Street Bridge, Fire Station, and DPW Facility) has to be done now, and she didn’t think that projects of that scope would continue to pile on at the same rate. She said she didn’t know of a way in the short-term to pay for those major projects.

Mr. Clark asked why couldn’t we put more money into CIP funds to save for major projects? Chair Patten said these are the projects that have been kicked down the road to the point where continuing to do so is “fool-hardy.” He asked Mr. Bartlett what the cost of the Bridge was now compared to when it was identified as a necessary project. Mr. Bartlett said that in 2006 it was a \$1 million project, and now it’s \$6.6 million project. Chair Patten said that the 5% of interest in bonds was a minimal amount compared to the costs incurred by putting projects off. Mr. Clark said we should be putting money away in Capital Reserves so it can gain interest.

Mr. Parkhurst said the same exact argument was had back in 2006, when the Bridge was only a \$1 million project: “Every year we have the same conversations...it’s self-perpetuating.”

Mr. Henault said, though we’re talking about “massive things” that there’s no reason why we couldn’t be doing Capital Reserves “at some modest level” to help when there’s a crunch: having some sort of Capital Reserve is responsible. Mr. Henault said he would be in favor of putting \$50,000 in Capital Reserve in this year’s budget to get it started. Mr. Clark agreed.

Ms. Hatcher asked if someone wanted to make a motion.

Mr. Clark made a motion to establish a new Capital Reserve account for Municipal Facilities Maintenance in the amount of \$50,000.00, and add it to the Warrant as a Special Warrant Article.

Mr. Henault seconded.

*(Note: Mr. Clark later withdrew the motion)*

Chair Ward asked what that would do to current budget numbers. Ms. Hatcher said a case would need to be made for it. Mr. Taylor asked how we would make a case for it to the residents “whose backs were just about broken” after the increase resulting from the 2018 revaluation.

Ms. Hatcher said the education portion of the tax bill is nearly 70% and the municipal portion is only 30%: “The real problem we have...is how we fund education.” She said there was a lot of work being done but the “real fight” is at the State level to get the education portion funded: “Towns are suffocating right now.”

Mr. Taylor said Ms. Hatcher was 100% right, but they (the Select Board and Budget Committee) had to focus on what they had control over.

Mr. Long said he understands the intent, but \$50,000 a year would result in maybe \$1 million after twenty years, and there’s going to be things that come up in the meantime. “We’re always going to be borrowing from somewhere...as long as the Debt Service is still manageable through reasonable tax increases, whether we like it or not, it’s how governments run.”

Mr. Hanson said if it was \$50,000 a year, we would have enough to pay for the snowblower in six years.

Mr. Mabbs-Zeno said it’s already a very effective tool for small projects, but it would be a hard sell to taxpayers to ask for money that didn’t have an immediate purpose.

Chair Ward said that the Town is currently assessed at 91% of what the value is, and it should be assessed at 98%, so there’s a revaluation in the future. Mr. Taylor added that the last one was only a year ago.

Ms. Hatcher said that’s why having the unassigned fund balance available to bring the rate down was important.

Ms. MacStay said it all comes down to being responsible.

Ms. Hatcher said maybe the idea should be considered and brought forward at the next budget cycle, with some very specific ways to address specific needs. Chief Walker agreed, and provided the example of the new PFR radios.

Ms. MacStay said by planning well and spending money to get on top of things, like with the Road Program, “we’re getting way ahead” and saving the Town a significant amount of money in the future. She pointed out that much of the staff pays taxes in Peterborough, too.

Mr. Smith said he’s been working with the New Hampshire Bond Bank to examine the various bond lengths for projects in order to save a significant amount of interest over time. He said there are more opportunities for the Town to do that, and “using bonds in a more sensible and economic way can save a ton of money in interest.”

Mr. Clark withdrew the motion he had put forward regarding the Capital Reserve.

Chair Patten asked if anyone had anything to add.

Resident Loretta Laurenitis said she was very dismayed by the annual report that was done last year and doesn’t understand “why we’re skimping on it.” It was her understanding that the change was made to save \$5,000. She said it’s a historical document that goes to the UNH Library and the State Library, and she knows we can only put in the required information, but “that doesn’t service the historical document and the people in this town.” She said towns that are smaller than Peterborough produce much better annual reports. “It makes it seem like we must be in desperate financial straits...I am making a plea it gets changed back to the

way it was before.” She pointed out that in preparation for the School District Voting, ConVal printed information in a larger format that was easier to read. She said the town report “is supposed to show the pride the community has in its town.”

Ms. MacStay said she understands that some people, herself included, like to see things printed out, but for the most part people weren’t taking the Annual Reports, and hundreds of printed reports were going into the recycling every year. The amount of reports was reduced to account for that, but the cost of producing reports goes up as the order amount is reduced, so it made sense to switch to printing in-house. She said many towns have switched to an online format, and with the town website being rebuilt there will be a “better, more robust platform” for people to access the Town Report information, and people could print out what they needed, or come to the Town House and we could print things from the report for them upon request, and in a larger font if needed. The additional contents that were included in the old annual reports were also included in last year’s report but are instead are up on the website, instead of in the booklet format.

Ms. Laurenitis said didn’t feel it was in a “comprehensive format” on the website, and said she was embarrassed by the Annual Report.

Ms. Hatcher said the Select Board would take a look at it. Mr. Taylor said he would appreciate a PDF version of the report.

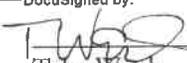
Ms. MacStay added that the staff time needed to create the report in-house was significantly less than producing the previous version; It went from a month’s worth of work to a week’s worth. “It’s harder to quantify, but it is significant.”

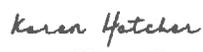
Chair Patten said the old report won several awards, and he would personally appreciate going back to the old format.

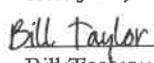
Mr. Henault made a motion to adjourn the meeting at 7:30 PM. Bob Hanson seconded. All in favor. Motion carried.

Respectfully Submitted,  
Alison Kreutz, Department Assistant

PETERBOROUGH  
SELECT BOARD:

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Karen Hatcher

DocuSigned by:  
  
Bill Taylor

**ACTION ITEM PENDING LIST**

- 1.