

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
 Tuesday, January 7, 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

Budget Committee: Ronald Patten (Chair), Bob Hanson, Richard Clark, Ron McIntire, Mandy Sliver, Carl Mabbs-Zeno, Ed Henault, Donald Parkhurst, James Long

The meeting was called to order at 5:00 PM.

ROLL CALL VOTE TO ENTER NON-PUBLIC SESSION:

- Tyler Ward: Yes
- Karen Hatcher: Yes
- Bill Taylor: Yes

Non-Public Session was called pursuant to RSA 91-A:3 II(b) (personnel)

ROLL CALL VOTE TO EXIT NON-PUBLIC SESSION:

- Tyler Ward: Yes
- Karen Hatcher: Yes
- Bill Taylor: Yes

Non-Public Session ended at 5:55 PM

Motion: Ms. Hatcher made a motion to seal the minutes of the non-public session.

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

Update on Special Town Meeting

Mr. Bartlett announced that the Court approved the Special Town Meeting regarding the additional funding required for the Main Street Bridge, and the meeting will take place next Wednesday at 7:00 PM. The funding is needed to cover construction administration and site testing for the project. Bid offer from the lowest bidder has been extended to January 31st. A 2/3 vote will be required, as it's a bond vote. The contractor has projected the first effort would be pedestrian bridge by the library, with installation in late March/early April, and major construction on the Bridge to start in May.

Resignation of Community Development Director

Mr. Bartlett shared that Director of Community Development Pete Throop has provided his resignation effective April 1st. Mr. Throop has committed to a transition period of part-time assignments, and has served the town for seven years. Assistant Planner Kristin Bixby left the Town in late December to work for the City of Manchester; Mr. Bartlett acknowledged that service to individual committees that rely on the Office of Community Development, which was comprised of only four employees to begin with, may be a little stretched during the wait for those essential positions to be filled.

Chair Ward called the Joint Select Board and Budget Committee Meeting to order at 6:02 PM

Budget Committee Chair Roland Patten introduced the Budget Committee: Bob Hanson, Richard Clark, Ron McIntire, Mandy Sliver, Carl Mabbs-Zeno, Ed Henault, Donald Parkhurst, and James Long.

Presentation of Capital Improvements Plan

CIP Chair Bob Hanson listed members of the CIP Committee: James Kelly (seated in the audience), Carl Mabbs-Zeno (seated at the table, as he is also a member of the Budget Committee), Leandra MacDonald, Valerie Jenkins, Sarah Steinberg Heller, Bill Reinhardt, Alan Zeller (seated in the audience) and Ed Juengst. Chair Hanson noted that Mr. Juengst had expressed his regret about not being able to attend that evening's meeting.

Chair Hanson explained that in autumn of every year the CIP Committee meets for 6-8 weeks to review department head requests and create the Capital Improvement Plan for the upcoming year. Pete Throop serves as the organizer, with Leo Smith assisting as well (Chair Hanson noted that Mr. Smith had attended every CIP meeting that year), and Ms. Hatcher serves as the Select Board Liaison.

Chair Hanson presented a graph covering Proposed FY 2021 CIP Total Department Requests and Debt Service (*see attached*) with projections through fiscal year 2026. Chair Hanson noted that only unbonded projects are included in CIP Requests line on the graph (though debt for bonded projects is included in the Debt Service line). Big ticket items for this year included the front loader, snow blower, Fire Department facilities design, and dump truck for Rec Department.

Regarding the graph, Mr. Kelly noted the 29% increase in FY 21 and asked, "Why does it go down in '22? How can we flatten it out?" He said the Main Street Bridge, Library, and Transcript Dam aren't actually being put in place until 2021. Chair Hanson said that though the construction on those projects hasn't started, taxes are still being paid for them, and asked Ms. Smith to help explain further.

Mr. Smith explained that as the taxpayers approved the bond articles for those projects at Town Meeting, those bond payments are included as part of the net appropriations for setting the tax rate, so that funds can be raised over time until the bond comes to fruition.

Mr. Taylor said if those projects start as anticipated, the payments are going to be due in 2021, so they have to be in there prior to the start.

Mr. Smith used the library as an example to illustrate further about how the funding and bonds for those large projects work.

Resident Judy Wilson Ferstenberg asked if values included on the 'Impact on the Tax' line as seen on the graph meant the impact on the tax rate, and if that's how much the taxes on her house are going to go up every year. Ms. MacStay explained that no, it does not mean there will be a 1:1 increase, and the tax rate is a very complicated formula.

Mr. Clark asked about the Debt Service – he said the graph was incorrect, and noted a discrepancy between the amounts and the data points on the graph (Later in the meeting, Mr. MacIntire explained that the data points were impacted by the capital numbers provided for each year at the top of the chart, which is why it appeared that the values and positions on the graph weren't consistent). Mr. Clark said he is a "stickler" about the Debt Service and doesn't like it. Mr. Smith added "Neither do I." Mr. Clark said he wanted it on the record that he felt "if we want to buy something, we should pay for it, and not kick it down the road."

Next there was a review of Long-Term Debt Service Projections, which included data for the North Dam, Fire & Rescue Facility, DPW Facility, Library, Town House Rehab, Transcript Dam, and Main Street Bridge. The projection covered a span of 24 years (to 2044).

On the CIP Project Detail by Department list, Mr. Hanson noted that first cruiser listed (for \$37,000) will be taken out. Mr. Smith said Chief Guinard will go over his strategy regarding the cruisers when he makes his presentation to the Budget Committee.

Regarding the Long-Term Debt Service Projections, Mr. Ed Henault asked if the Fire & Rescue Facility could be moved a few years out, so that it wasn't hitting at the same time as the other major projects.

Chair Hanson explained that large projects will continue to drive CIP increases. Last year the DPW Garage was shifted to FY2020. The Fire Department construction was moved to FY22 from FY21, The Main Street

Bridge had the cost increases (that will be discussed at the Special Town Meeting), Library fund raising delays the project start, interest rates and costs are on the rise. "Focus was on the how, when and where to accomplish and best finance the projects." Chair Hanson stressed that projects should not be delayed.

Construction projects for FY2020 include:

- DPW Facility (Est. \$2.5 million)
- Highway Reclamation Project (\$400,000 – part of a 10 year, \$4 million program)
 - This is the 3rd year of 10 years, and this must go before Town Meeting every year.
- Main Street Bridge Cost Increase

Construction projects for FY2021 include:

- Fire Station Design (Est. \$250,000)
- Front Loader and Snow Blower Purchase (\$390,000)
 - The front loader can be used
- Fly Pond Dam Reconstruction/Summer Street Culvert (Gross \$270,000, Net \$35,000)
 - The owner of the pond is Bill Duerig, who will pay \$35,000 towards the project. Mr. Bartlett explained that Summer Street serves as the dam for the pond, which is the little pond on the left side as you approach the turn off for Hunt Road. The outlet for the pond is separate from the street drainage, but the culvert that goes underneath is the Town's culvert. We worked out an arrangement to share the cost, and a FEMA grant opportunity came about, as we have had losses there due to flooding, so we have been through the preliminary stages for approval and are waiting for final approval.
Chair Ward asked about the grant opportunity. Mr. Bartlett explained it's an annual offer that applies specifically to work that eliminates present hazards and, as Summer Street has been lost to flooding events in 2008 and 2009, it fits the bill. The work is designed to accommodate for those hazards so we won't lose the road (which would be built like a spillway) in the future.
- Overseer's Row Drainage Project (TIF Funded)
 - Drainage has been an issue for a very long time, and has long been an issue for the residents on that street. Mr. Bartlett said initial cost estimates have been received, and the project is much more complicated than one would anticipate. Some of the water services come from Union Street, and in a couple places there is not any drainage for the street. Cost to install infiltration system and corrections to sewer system and road repaving is estimated at \$440,000. The cost-estimate is being reviewed to see if there are any potential savings and the West Peterborough TIF will look at it again in mid-February to make a final determination.
- Union Street Sidewalk Extension (TIF Funded)
 - Runs from Robbe Farm Road to Old Dublin Road and across Old Dublin Road to the small apartment complex that's there. It was discovered the sewer line is in the swale on east side of road where the sidewalk needs to be so, in order to do the drainage, the sewer line needs to be moved into the street. Estimated at \$310,000, though, like with the Overseer's Row project, the cost-estimate is being reviewed to see if there are any potential savings and the West Peterborough TIF will look at it again in mid-February to make a final determination. Ms. Hatcher said the process with the TIF's is they make a recommendation, which then goes to the EDA, which then goes to the Select Board before going to warrant. Mr. Bartlett confirmed.
- Riverwalk Parking Lot Charging Station (TIF Funded)
 - Chair Hanson asked for clarification about how many charging stations there would be. Mr. Bartlett said the conduit is in place – there would be a single charging station with two charging units, which could provide charging for up to 4 electric cars (the units would be accessible from 4 parking spaces).
Ms. Hatcher asked for confirmation that the request was for \$35,000. Mr. Bartlett confirmed. Mr. Clark asked if the Town would be paying for the electricity used at the charging station. Mr. Bartlett said there were 2 proposals that were reviewed earlier that day

by the Downtown TIF; one would have some group, either downtown TIF or another group, pay so there wouldn't be need for payment to be collected at the charging station, and the other, which had longer financial impact, involved some kind of payment processing system for users at the station. Ms. Hatcher said the Downtown TIF had not come to a final decision, but had voted 3-2 to move the recommendation forward (pending more data).

- Highway Reclamation Project (\$400,000 – part of a 10 year, \$4 million program)

Construction projects for FY2022 include:

- Fire Station Construction (Est. \$8.5 million)
- Highway Reclamation Project (\$400,000 – part of a 10 year, \$4 million program)

Construction projects for FY2024 include:

- North Dam (Est \$1 million)
- Highway Reclamation Project (\$400,000 – part of a 10 year, \$4 million program).

Mr. Al Lennis asked if there was anticipated cost to traffic rerouting issue regarding what's happening in front of the post office. Mr. Bartlett said there has been no discussion about changing the parking reconfiguration on Grove Street related to the Main Street Bridge closure: "I don't see any changes to the parking on Grove Street, though there will be a reorganization of the parking spaces on Main Street (no spaces will be lost)."

Mr. Ron MacIntire made the clarification referenced earlier concerning the data points on the 'Proposed FY 2021 CIP Total Department Requests and Debt Service' graph. There was a brief discussion about how the information could have been more clearly represented on the graph.

Presentation of Draft Budget and Town-Wide Impacts

Mr. Smith went through a PowerPoint covering the draft operation budget.

The Town is looking at a 5.5% increase over last year's appropriation; the total draft operating budget is \$4413,257. Gross operation budget before CIP, Debt Service, and Warrant Articles is 2.3% over last year.

Major Highlights include:

- Operating Budget
- Personnel costs which include Salaries, Retirement, Health and Dental are approximately 51% of the Total Budget.
- Salaries reflect increases for COLA and Merit. Combined average approximately 3.2%
- Health Insurance Costs are planned to increase 5.7% on July 1st.

Regarding health insurance costs, Ms. Ferstenberg asked if town employees have a copay, because she has a copay. Mr. Smith confirmed that town employees do have a copay.

- Road expenditures approximate 7% of the Total Budget. These amounts are level funded with last year's budget.
- Energy costs are approximately 5% of the Total Budget. These include Electricity, Heating Fuels, Gasoline/Diesel, Water & Sewer. Overall usage and rates are stable.
- Other Operating Expenses which make up the balance are in line with the previous year's budget.
- The increase of \$109,250 is attributed to changes to the various Veteran's Tax Credit Programs voted in at our 2019 Town Meeting.

Regarding CIP:

- Expenditures have decreased approximately 55% from last year. Two new items are the dump truck for Rec and Building Permit Software.
- Debt Service has increased \$166679 or 8% over FY 2020 budget. Most of the debt includes Main Street Bridge, Town House Renovation, Library, Transcript Dam, and new DPW Facility, to which the increase is primarily related to, as well as a change to debt term of Town House Renovation (decreased from 20 years to 10 years).

Regarding Warrant Articles, there are 2 categories:

- Continuing Additions to various Capital Reserves - GIS, Winter Operations, Fire Dept. Equipment, Police Cruiser, Roadway Management, and Cemetery Transfer
- New Capital Warrant Articles - Main St. Bridge Warrant Adjustment, Fire Station Design, Fly Pond Dam Reconstruction, Snow Blower

Most of the Warrant Articles will have Revenue Offsets.

Chair Patten noted the Debt Service was close to 20%. He said Gordon Kemp would have said that this “is the result of kicking the can down the road for several years.”

Mr. Smith reminded the group that there is offsetting revenue for the debt service, but agreed it was important to have an understanding of where the gross appropriations are.

Ms. MacStay said the Budget Summary does include all the revenue offsets.

Mr. Smith gave the Budget Committee an overview of the layout of the FY2021 Budget Binders.

Finance Department

Mr. Smith provided an overview of the Finance Department, which works with the other Town departments to assist with the management of the financial affairs of the Town and to efficiently provide related support services for the Town-approved operations, various enterprise funds and special services associated with the citizens of Peterborough.

The current services provided by the Department of Finance are: Tax Collection, Water & Sewer Service Collection, Accounts Payable, Payroll, Audit, Financial Reconciliations, Fixed Asset Documentation, Record Archives, Loan & Bond Processing, Town Property & Liability Insurance, Town Administrator Support and Assisting with the Annual Preparation of the Town Budget & Warrant Articles presented for vote.

Staff includes Director-Leo Smith, Asst HR Director/Payroll-Jen Bowman-Hall, Accountant/AP-Shannon Kelly, Tax Collector-Beth Marsh & Deputy Tax Collector-Clarissa Johnson. In addition, the Treasurer-Jane Bowman, Asst. Treasurer-Mandy Sliver and IT support.

The Net (Exp-Rev) Appropriation for 2021 is a surplus of \$326,009 compared to 2020 surplus of \$181,137, an increase of \$144,622/79.7%. Operating Appropriations for 2021 are \$346,077 compared to \$395,077 for 2020. A decrease of \$48,322/12.2%

Assessing Department

Mr. Smith moved on to Assessing.

The Assessing Department’s primary responsibility is to ensure that all property within the Town is assessed fairly and equitably in accordance with NH State Laws, and administer programs governing property assessment in an honest and professional manner. To meet that responsibility, the Board of Selectmen retains Corcoran Consulting Associates Inc. of Wolfeboro, New Hampshire, to perform the duties and functions of Assessor’s Agent and Town Appraiser. Internal staffing primarily consists of part-time Assessing Clerk Ali Kreutz, who also has other administrative responsibilities. Corcoran support will be available for various assessing tasks and taxpayer questions.

The Net (Exp-Rev) Appropriation for 2021 is \$90,829 compared to \$101,496 for 2020, a decrease of \$10,667/-10.5%. 88% of the total budget is for outside consulting and assessing software support.

Administration Department

Mr. Bartlett, Ms. MacStay, and Ms. Kreutz make up the Administrative staff. There have been two significant expenses budgeted in services: \$10,000 to cover the Harris Center Property Acquisition and \$15,000 to cover Contracted Town Administrator search pending potential retirement of current Town Administrator Rodney Bartlett.

Human Resources

Advertising costs have increased. Also requested is an increase in staff development to be used for training for assistant HR director Jen Hall.

Human Services

No significant changes in Human Services over last year.

Ms. Hatcher asked about the Human Services salary line. Ms. MacStay said it was mostly her, with some going to Ali Kreutz.

Allocations

Mr. Smith explained about the current complicated state of payroll allocations, and said it may be something to discuss. Some salaries are broken up across upwards of 4 different departments, which complicates payroll processing. Ms. MacStay said it should be determined if it's valuable for the Budget Committee to see how payroll funds are specifically broken up across departments. In some instances, as when enterprise funds are used for salary expenses, it makes a lot of sense, but in others, it unnecessarily complicates things. Chair Patten advised we keep it the way it is currently. Ms. MacStay said she wouldn't recommend making changes to any of the enterprise funds, but when it comes to the General Fund, it could be streamlined.

Mr. Henault said 51% of the budget is personnel, and seeing head count to head count year-to-year would be helpful.

Ms. Hatcher asked what is best practice in other towns Peterborough's size, in regards to how they keep their books. She said there are good reasons to allocate, but we should find out we began allocation in the first place, and figure out if we have good reason to continue.

Mr. Smith said it is something he would like to explore, and he viewed it as a project, and maybe looking at next year's budget would be an opportunity to streamline.

Ms. Ferstenberg said there are pluses and minuses to allocation.

Ms. MacStay said the allocations don't change very much from year-to-year. "It's not particularly scientific".

Ms. Sliver said that as the Budget Committee looks at the departments, they typically spend a lot of time on questions about allocations, so she wondered about the efficiency of it. Mr. Taylor said that would be the number 1 reason to eliminate allocations.

Mr. Lennis asked about pensions. Ms. MacStay said the State of New Hampshire determines pensions and hands that number down to the municipalities. Pensions are pooled, state-wide, so there isn't undue burden on municipalities.

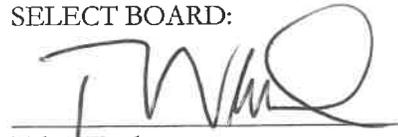
Mr. Smith added that a weekly deduction of about 18% of the person's salary is earmarked for retirement.

Mr. Smith said Police, Fire, and Ambulance will be reviewed at the next meeting, scheduled for Tuesday of next week (1/14/2020).

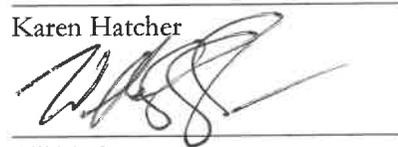
Chair Patten made a motion to adjourn the meeting at 7:28 PM. Mr. Mabbs-Zeno seconded. All in favor. Motion carried.

Respectfully Submitted,
Alison Kreutz, Department Assistant

PETERBOROUGH
SELECT BOARD:


Tyler Ward

Karen Hatcher


Bill Taylor

ACTION ITEM PENDING LIST

