

1. Convene the meeting.

Chairman William Campbell convened the board at 7:05PM on the above date. Also present: Lionel Ingram, Paul Binette, Joseph Pace, Robert Eastman and Town Manager George Olson. There was no Cable coverage.

2. Minutes of Selectmen's meeting of November 29, 2004.

Mr. Binette moved to accept the minutes as submitted; second by Mr. Pace. VOTE: Unanimous. Mr. Binette moved to accept the minutes of the work session of December 6, 2004; second by Mr. Pace. VOTE: 4-0, with 1 abstention.

3. Proclamation for Human Rights Day – Ilse Andrews.

Clerk Binette read the proclamation (copy attached) and Chairman Campbell presented the signed copy to Ms. Andrews of Amnesty International. Ms. Andrews noted the Exeter Chapter was established 10 years ago. She thanked the Board for their action.

4. Request for support of proposed warrant article – Exeter Conservation Commission.

Donald Clement, Chairman of the Commission, was present to explain the proposed article which reads: "To see if the Town will vote to deposit 100% of the revenues collected pursuant to RSA 79-A in the conservation fund in accordance with RSA 36-A:5, III as authorized by RSA 79-A:25,II."

He explained the Current Use program, which encourages landowners to keep their land in protection and is assessed at what its current use and not its potential development use could be. When the land is taken out of Current Use, the Town assesses up to 10% of the value of the property as a penalty. Mr. Clement noted the warrant article would allow for this penalty money to go to a separate fund to be used for purchasing land, which would replace the loss of open space property taken from current use. This fund is separate from the Open Space bond funds but could assist with purchasing future land over and above what the Open Space may total. There is currently only \$20,000 remaining in the Conservation Fund and this would not take the Town far into the purchases of land coming available. There are many grants available but require matching monies which the Town would not be able to apply for in its present condition. These grants have included the two LCHIP funding received by the Town, of which the Town matched 50% of the grant.

The results of properties removed from current use the past two years: 2003 saw 68.11 acres removed for \$196,000 collected; 2004, to date, has seen \$116,000 collected for acreage removed.

Cliff Sinnott, Rockingham Planning Commission Director and a member of the Master Plan Steering Committee, noted this recommendation of establishing a fund to collect the Current Use penalties was included in the section of the Master Plan recently adopted. There are currently 158 communities in the State using this method, resulting in 58% of towns and cities. In Rockingham County, 84% of the communities presently do this, with 75% of funds allocated to Conservation Fund purposes. This is an on-going mechanism to cycle back monies to the Fund.

Mr. Eastman stated he has reviewed the October Conservation Commission minutes and noted the discussion included recommending a 50% allocation but the figure is now at 100% and questioned why. Mr. Clement noted the proposal was made and, since the October meeting, research was done with area towns and when reported, the Commission proposed at their November meeting to recommend higher than 50%. Mr. Eastman noted \$93,000 was the fund balance at 2003 year-end and now only \$20,000 remains. Where did the Commission spend \$73,000? Mr. Clement noted mostly with the Raynes' Barn and maintenance repairs.

Mr. Eastman stated since 1995 the Town has collected \$1,549,000 in Current Use taxes. This has been used to lower the tax rate and if the Board agrees with the proposal tonight, those penalties would be taken from the General Fund and it may add to the tax rate, depending upon the circumstances. The 5-year average of collection is \$257,000.

Mr. Campbell noted the Town passed warrant articles of \$50,000 per year during the mid-to-late 80's, then \$100,000 for a couple of years in the 90's. This proposed article is an alternative to a warrant article each year.

Mr. Pace noted this takes the decision away from the voter and an un-known figure would be acquired each year. This automatic transaction would go into perpetuity and could mean the Town would have to cut spending or raise taxes without the current use funds going to the general fund and being applied to the tax rate process. Mr. Clement stated the Town could return the next year and rescind the process or change the percentage collected. The negative of not instituting this process is to have the landowner wait up to a year to complete the process between making the offer, saving the money or raising it at Town Meeting and, if approved, sealing the deal. Mr. Campbell noted the bond issue for Open Space is separate from the Conservation Fund.

Mr. Ingram noted this may not be the best time for this article, with the budget larger than the Board wishes and may be better to wait a couple of years from now, and continue using the bond for larger parcels. The budget is currently up 6.5% with items now in the budget making sense. No vote taken.

5. Discussion and action on 2005 budget and warrant articles.

Mr. Campbell thanked the Budget Recommendations Committee for their time and effort in getting the budget down to a little under 7%. The current total, including water and sewer, is \$15,714,221 or a 6.5% increase. Mr. Olson noted since his memo of November 18th, he has received a memo from Chief Kane regarding additional funds needed for the SPOTS computer connection. This request increases the amount by \$900. ***Mr. Pace moved to increase line item 1-2121 by \$900 for an amended figure of \$4,500; second by Mr. Ingram. VOTE: Unanimous.***

Discussion and action was taken on the following articles (shown in detail on attached memo) to determine where the Board proposed the amount to be listed – budget vs. articles. Final wording and vote will be taken at their meeting of December 20th.

Town Hall cupola/architectural details: ***Mr. Ingram moved to place \$10,000 in the budget account # 1-2296 (Town Hall Maintenance) (p. 18 of proposed budget); second by Mr. Pace. VOTE: Unanimous.*** It was noted DPW agreed with this figure.

Safety Complex entrance design \$25,000: *Mr. Pace moved to endorse in principal and await wording; second by Mr. Ingram. VOTE: Unanimous.*

Rec. Park parking - \$25,000: *Mr. Ingram moved to list as a warrant article; second by Mr. Pace. VOTE: Unanimous.*

Rec. roof repair - \$28,000: *Mr. Ingram moved to list \$28,000 as a warrant article as recommended by the Budget Recommendations Committee; second by Mr. Eastman. VOTE: Unanimous.* It was noted DPW did not agree with this figure and still requested the \$38,000 proposed.

Replace Police cruiser laptops - \$35,000: Mr. Pace asked what the best bet for the whole program to get approved: place this in the budget because it is important but the increase may be too high and the budget would not pass and this would be cut when at default; or place as warrant article and let it stand on its merit. *Mr. Ingram moved to place \$35,000 in the budget account 13595 (p. 42); second by Mr. Eastman. VOTE: 3-2.*

Replace hotbox - \$37,000: *Mr. Ingram moved to list as a warrant article for \$37,000; second by Mr. Pace. VOTE: Unanimous.*

Purchase of meters for parking \$40,000: This vote, to support, was handled at the November 29th meeting.

Rec 1-ton- \$44,000: *Mr. Binette moved to leave as a warrant article for \$44,000; second by Mr. Ingram. VOTE: Unanimous.*

Dam monitoring equipment \$50,000: Mr. Ingram suggested leaving this off till the study is done. Mr. Olson noted if the study comes back and hardware is recommended there will be no funds available to spend. Mr. Ingram suggested creating a line item in the budget and spend from there. Mr. Eastman stated 12575 (p. 30) "Dam Maintenance" will include \$25,000 for the RFP and a note could be added to include monitoring equipment, even if only \$1 were added it would allow for expenditures to be made. The funds could then be found elsewhere by over-expending one account and under-expending another. There was no vote on this as discussion will be taken up at a later date.

Fire Command car - \$50,000: The BudCom suggested the DPW's SUV be turned over to the Fire Department and DPW purchase a pick-up, for a more efficient use of vehicles. Mr. Olson had noted the switch is not practical given the needs of the Fire Department and he recommended the Board support the article to purchase the vehicle, replacing the 1998 Ford.

Chief Comeau noted the current mileage is 73,000 and there are no major problems except the transmission is beginning to slip. His main concern is 'needs', noting it cannot carry personnel and equipment to routine non-fire calls (i.e. floods, lines down, etc.). Most departments now have Suburbans, Expeditions, etc., and the \$50,000 would be fully equipped (vehicle cost plus upgrades). He has suggested this new vehicle would take the place of a full-sized truck responding and being committed to a scene for 4+ hours, such as in the event of power outage and lines down. It will also be used with their trailer system (1 hazmat and 1 rescue), with the only vehicle now handling this is the fire alarm truck or fire department pick-up. This new vehicle could pull trailers as well as move personnel.

Mr. Binette requested review of the maintenance package on the current vehicle, expressing concern with the transmission slipping at 73,000 miles, and asked the Chief to return with figures and information. ***Mr. Ingram moved to hold as a warrant article; second by Mr. Pace. VOTE: Unanimous.*** Mr. Campbell agreed there is a maintenance issue but stated the 'needs' issue is more of a concern.

Holland Way - \$55,000: It was noted the net cost would be \$35,000, with \$20,000 coming from the developer. ***Mr. Ingram moved to leave as a warrant article; second by Mr. Pace. VOTE: Unanimous.***

Town Hall stairwell, floor repair, court carpet - \$61,500: The BudCom recommended reducing this to \$50,000. Some adjustments have been suggested. ***Mr. Pace moved \$61,500 be listed as a warrant article, with the appropriate wording; second by Mr. Ingram. VOTE: 4-1.***

Sidewalk plow - \$77,000: There are currently 4 plows, 3 of them working, with the 4th being used as back-up but parts for this plow are unavailable. With the purchase of a new one, the oldest will become the backup. ***Mr. Ingram moved to leave as a warrant article; second by Mr. Pace. VOTE: Unanimous.***

Town Hall window replacement - \$80,000: ***Mr. Ingram moved to leave as an article; second by Mr. Pace. VOTE: Unanimous.***

Retirement Sick Leave - \$86,410: Mr. Olson reported a change, noting an employee retired this year instead of next, reducing the request to \$72,080. ***Mr. Ingram moved to include as an article at \$72,080; second by Mr. Pace. VOTE: Unanimous.***

Town Office interior design \$100,000: Based upon further clarification of the architect, Mr. Olson recommended the article be increased to \$100,000. ***Mr. Ingram moved to include \$100,000; second by Mr. Eastman. VOTE: Unanimous.***

Land for Fire Station #2 - \$100,000: ***Mr. Pace moved to include as a warrant article; second by Mr. Ingram. VOTE: Unanimous.*** Mr. Ingram asked if any action is being taken, based on BudCom recommendation, to sell the other Epping Road property. Mr. Olson noted we are waiting to closer to Town Meeting action, so as not to dispose of without authorization of acquiring the other.

Town Hall exterior \$140,000: ***Mr. Ingram moved to include as an article; second by Mr. Pace. VOTE: 3-0-2.***

Rescue 2 replacement \$147,000: Mr. Olson noted this is not needed due to Ambulance Fund being assessed (based upon last Town Meeting action) and the Board will have authorization to transfer this.

Supplemental street paving \$170,000: ***Mr. Ingram moved to leave as an article; second by Mr. Pace. VOTE: Unanimous.***

Water Treatment Plant: Mr. Campbell noted more accurate figures will be available at the January 3rd meeting, so no action was taken.

From the December 7th memo (attached), the Board acted as follows:

Mr. Pace moved to support the articles 1, 3, 4, 5, 6 showing Social Service Agencies as shown; second by Mr. Ingram. VOTE: Unanimous.

#7 "Shall the Town vote to authorize the Board of Selectmen to appoint replacements to the Exeter Budget Recommendation Committee to fill unexpected vacancies that may occur from time to time due to resignation or illness?" is based upon a BudCom recommendation in order to appoint replacements to the Committee when unexpected vacancies occur. Mr. Pace suggested amending the wording to clarify the appointment is for vacancies during their elected term (one year terms). **Mr. Ingram moved to include as an article, with amendment; second by Mr. Binette. VOTE: Unanimous.**

#8 "On petition of Frank Manter and others to see if the Town will vote to raise and appropriate the sum of \$45,000 toward the completion of the Swasey Park Pavilion which is to replace the existing stage for town events. This amount will be matched, in kind, by the Friends of Swasey Park Pavilion". **Mr. Eastman moved to not support the article; second by Mr. Pace for procedural questions.** Mr. Eastman expressed concern the original presentation noted the project would not cost the Town any funds, now they are asking for \$45,000. Sylvia von Aulock, Town Planner, noted the original estimate of \$50,000 was based on what other areas towns spent to construct theirs. With inflated estimates and more accurate drawings, the estimated cost is \$90,000 and they are seeking one-half of the costs. **VOTE: Unanimous.**

#9 "On petition of Leslie Haslem and others to see if the Town will vote to raise and appropriate the sum of \$500 for support of the Adult Tutorial Program of Rockingham County, an agency providing adult literacy, GED prep, Adult basic education and English as a second language instruction.". The agency was told to pursue funding from the school, as this is more school-related but was told they would not accept them under their warrant articles. Mr. Pace stated this practice should be reviewed but that a petition was received by our Town Clerk and we cannot not accept it for inclusion in the warrant. **Mr. Pace moved to not support the article; second by Mr. Eastman. VOTE: Unanimous.**

The budget, with adjustments, now totaled \$15,760,121, or an increase of 7%.

Budget discussion: The Board then reviewed the budget as presented to the Board following Bud-Com recommendations.

Mr. Eastman suggested reducing the TAN account to \$10,000, noting his discussion with Meg Baker at DRA (Dept. of Revenue Administration) stated funds could be expended from an account as long as initially having funding, even if only \$1.. If not needed, the Town would only have appropriated the smaller amount; if needed, accounts could be over/under expended to cover expenses. **Mr. Eastman moved to reduce 12464(p. 41 Interest on TAN) to \$10,000 and cut \$40,000 from the budget; second by Mr. Pace.**

Donald Brabant, Town Treasurer, stated we have not used the TAN (Tax Anticipation Notes) since semi-annual tax collections was started in Exeter. However, in the case of setting the tax rate late (though not a problem this year, it was close), \$10,000 would not be much to support payments. Mr. Eastman noted if the appropriate reports were filed in time, the tax rate would be set in time. Mr.

Olson noted if \$10,000 were appropriated and the situation arose, there would not be enough money left in various accounts to over and under-expend, at end of year. However, if we were to borrow a note, the \$1 million borrowed would cover the interest on TAN's. Mr. Eastman stated Ms. Baker stated it is not appropriate to spend the note for that interest. Mr. Olson disagreed.

Mr. Brabant reminded the Board the Fund Balance is not a piggy bank for expenses but is the accounting of the net worth of the Town (receivables, assets and not necessarily all cash). Mr. Pace questioned the \$500,000 contingency we hold back each year. Mr. Olson noted that is for emergency use only, and only one time in recent history have we used it: Town Hall emergency repairs with request to and granted by DRA. **VOTE: 2-3.**

Mr. Campbell asked if there were any items to bring up from other departments, noting the BudCom pretty much covered the accounts with appropriate recommendations. Mr. Ingram asked if there is a job description for the IT person, noting it may call to manage repair contracts but is the person also capable of handling repairs. Mr. Olson stated the description was developed last year.

Mr. Pace asked the status of the Sportsmen's fence for \$40,000 and was this in the budget. Yes but Mr. Olson is awaiting correspondence from the State, expected to have arrived last week. Changes can be made up to the Deliberative Session but should all be in place by the January 3rd meeting.

Mr. Pace moved to recommend a budget of \$15,760,121; second by Mr. Ingram. VOTE: Unanimous.

6. Banking options and expenditures in anticipating of bonding – Don Brabant, Town Treasurer.

Options: Mr. Brabant reported BankAmerica made a mistake in returning payroll checks for employees as unpaid. They have since apologized, for the second time. He noted the Town has been with the bank (various names) for about 40 years and have had a great relationship, till now, and they are also the cheapest and have saved the Town money over the years. The Town has an investment account at 2.35% (basically a money market) and a checking account. He makes transfers daily. Short-term changes have been made including: he moved \$1 million from the investment account to the checking account and the bank has agreed to pay interest at the invest rate for that amount in checking.

Mr. Brabant would like to approach the 3 other banks in Town (Bank North, Ocean and Citizens, noting Community Bank has admitted they are too small to handle the Town's accounts) and prepare a RFP explaining our banking relationship and accept proposals, returning to the Board for their decision.

Mr. Pace asked what happened and where was the decision made to cover the checks. Mr. Brabant stated the issue amounted to \$12,000 and the decision to cover was in some Connecticut office, not local. Jack Sheehy, Finance Director, noted it also occurred in July and we were told it would not happen again and procedures were in place to avoid a problem. It happened again. Mr. Pace suggested the RFP include inquiring where decisions are made for this type of incident. It was the consensus of the Board for Mr. Brabant to proceed with an RFP. He will meet with the three banks and get ideas on what to include. He should return in January or February.

Bonding: Mr. Brabant heard the Board had questions regarding the Open Space parcel transaction of late. The list of parcels and costs include:

September: \$ 47,000 for land purchase
October: \$197,000 for land purchase
November: \$800,000 for land purchase
January '05: \$200,000 to be purchased.

Mr. Brabant was told by Peter Dow that the majority of funds would be expended by February. Tax bills had just gone out when he was told of these expenses. He felt it was less expensive to use investment money, saving \$2,500, on a 90-day note. If not expended by January or February, he could do the bond anticipation note and the money would still be there.

Mr. Campbell asked if there were any RSA stipulations prohibiting us from doing it this way. Mr. Eastman noted we can do what we did, technically, but DRA does not give legal advice. Selectmen were granted authority to handle this via RSA 41-8. Mr. Eastman's complaint was based on July 26th minutes noting purchases would be through the Conservation Bond Fund and it was not. The problem with this is the Board did not know the decision had been made by the Town Manager and not the Board and they should have been kept abreast of actions.

Mr. Brabant suggested that borrowing the full \$3 million at 3% and not use it, turning around and investing at 2.5% would not be good business. Paying the fees of \$1.5 million and then borrow another \$1.5 million would be more efficient. The Board being out of the loop on the decision is not his problem. Mr. Ingram noted decisions are made by the Town Manager quickly with the Board around. He is very comfortable with having the Treasurer in and deciding the way they went – it seemed to have worked cleaner.

Mr. Pace noted when motions are made, such as what Mr. Eastman alluded to from the July minutes in this case, it is understood we will eventually have the bond to make payments. The Treasurer will do what he can to manage and maximize the Town's funds.

Mr. Campbell stated he agrees with what was done but wished the Board had known about the details.

7. Dates for upcoming meetings associated with the budget and warrant articles.

Mr. Olson recommended the following dates associated with the 2005 budget, articles & Town Meeting:

- Monday, January 17, 2005 – 7PM: Public hearings on 2005 budget & bond issues for water treatment plant.: Nowak Room.
- Saturday, February 5, 2005, 9AM: First session of Town Meeting/Deliberative Session: Town Hall.
- Tuesday, March 8th – 7AM-8PM: Town Meeting, polls – Town Hall.

Mr. Ingram moved to accept the dates as proposed; second by Mr. Binette. VOTE: Unanimous.

Alan Bailey, Green Street, asked when petitions are due. Mr. Olson replied January 11th but encouraged submission ASAP in order to get on the warrant and avoid excess public hearings and notices, though we are required to hold till January 11th.

8. Permits:

- Head Start requested use of the Wheelwright Room for their policy meetings on the following Wednesday mornings from 8:45-12: 1/19, 2/16, 3/16, 4/20, 5/18, 6/15.
- Musical Arts of ECCA requested use of the Town Hall for recitals on June 28 and 29 from 9AM-3PM.
- Exeter Area Jr. Women requested use of the Town Hall for a yard sale fund raiser on February 18 and 19th;
- PTO requested permission to place a banner on Water Street from May 13 through 22nd for their Fun Run/Race walk on May 21st.

Mr. Pace moved to accept all permits as presented; second by Mr. Binette. VOTE: Unanimous.

9. Town Manager's Items:

- The Board will meet on December 20th and January 3rd.
- Rubbish & recycling will be on a regular schedule during the holiday weeks.
- The Town's offices will be closed December 24th & 31st.

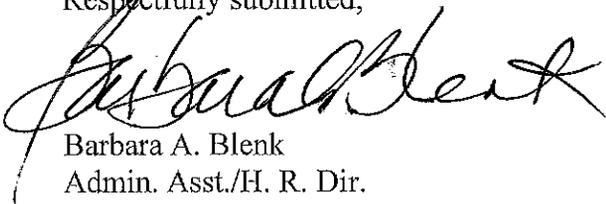
10. Selectmen's Committee reports:

- Mr. Pace: Historic District meeting this Thursday.
- Mr. Ingram: River meeting this Thursday morning; Council meeting in the afternoon; safety meeting this week.
- Mr. Eastman: Planning Board Thursday.
- Mr. Binette: None, but the Board should meet to determine dedication for the Town Report.
- Mr. Campbell: EDC meets Tuesday, as does Conservation Commission. He wanted to publicly thank the Town Manager Search Committee for their work in presenting three candidates last week but will wait till TV coverage is available.

11. Public comment: None.

Mr. Pace moved to adjourn the meeting; second by Mr. Eastman. VOTE: Unanimous. Time: 9:40PM.

Respectfully submitted,



Barbara A. Blenk
Admin. Asst./H. R. Dir.

attach