

**1. Call Meeting to Order**

Chairman Robert Aldrich convened the Board at 7:00 pm in the Nowak Room of the Town Office Building. Other members of the Board present were: Selectman Frank Ferraro, Selectman Matt Quandt, Selectwoman Julie Gilman, Selectman Don Clement and Town Manager Russ Dean.

**2. Public Comment**

Marion Mengert, a member of the Social Justice Committee of the First Unitarian Universalist Society of Exeter, was concerned about the humanitarian crisis looming with the deedable properties. If there is anything they can do to bring about a humane resolution to the situation they offer their volunteer services to both the Selectmen and the property owners.

Brian Griset of 26 Cullen Way said that there seems to be a health issue in Town related to memory. Some things that have transpired in the recent past seem to have been forgotten and this is a concern to him. Under the Right to Know Law citizens should be able to know from the minutes what is taking place in these committee meetings. He cited as an example the discussion related to the water and sewer rebate/refund for the over / under billing in the September 14<sup>th</sup> Selectmen's minutes which he feels did not seem to accurately reflect the discussion. Mr. Dean and Mr. Clement went to the Water and Sewer Advisory Committee meeting and they gave an update of what happened at the Rate Committee meeting and the Selectmen's meeting which Mr. Griset feels was missing some details. The only decision made Monday night was to reject the recommendation of the rates group and not reduce the service fees. There was no final decision on how the money would be returned to the ratepayers, but the majority of the Board was interested in some type of a credit on future water and sewer bills being issued using rebate checks based on usage. The water and sewer group went on to have a discussion regarding this issue that appeared to Mr. Griset to be the same conversation that Mr. Dean raised to the Board which was a re-hash. The water and sewer group were left with the opinion that the Board had not made a decision or consensus. They expressed concern that they might not make the November deadline for making a rate recommendation to the Board as they are charged to do.

Another issue for Mr. Griset is Chief Comeau's discussion regarding the fire station or station 2. When this issue was first raised in 2003 or 2004 the voters agreed and gave money for the design and study of a substation. It was turned over to a work/study committee and a piece of land was purchased. The committee came back the following year with a new scope for a full-blown fire station. At the following deliberative session and subsequent Town vote, this was radically defeated because the scope was beyond what the people wanted. He hopes the Selectmen step up and make policy directives so the Town can stop spending money on studies for issues already done. Rejection of the budget by the voters last year sent a message.

**3. Minutes & Proclamations**

**a. Regular Session Minutes of September 12, 2011**

After a brief discussion, it was decided to hold off on finalizing these minutes until a later date.

**b. Regular Session Minutes of September 19, 2011**

**Mr. Quandt moved to approve the Regular Session Minutes of September 19, 2011 as presented. Mr. Clement seconded. Vote: Unanimous Mr. Ferraro abstained.**

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### 4. **Appointments** - None

### 5. **Departments Reports – Information Technology, Planning**

Andy Swanson has been doing a lot of work on the TV. There have been some big changes. Channel 22 is now all government all the time. You will always see the same meetings at the same times. He has been working with the school to get theirs set up. They are on the air and going. Channel 98 is a little bit behind on content which is the public access side of it. They are still waiting for telephone and internet connection. Once they get that in Mr. Swanson will go over there and help them finish off their networking. Hopefully they will try a trial run out of the studio by the end of this week.

New antivirus software has been installed in all of the computers in Town. The previous one had caused quite a bit of grief. The new one is just as good and didn't cost extra money. There were some serious incidents in August with the phone systems that affected 911 and dispatch. These issues have been resolved now and they have a meeting this week with the Town's phone vendors. They are looking at another way to use the infrastructure to make the phones even more reliable and it looks like they will also save some money in the process. There will be major upgrades/updates to the GIS system next Monday and major networking changes at the safety complex after that.

Mr. Ferraro asked if there was a way to get deliberative sessions onto Town Hall Streams and Mr. Swanson said that he will make it happen. Mr. Clement sought to clarify that all of the Town's phones and phone systems fall under Mr. Swanson's IT Department and Mr. Swanson confirmed this to be the case. Ms. Gilman asked how much upgrading is being done with regard to the GIS system as far as the different departments and versions. Andy Swanson explained that they have the new data which is at a higher level than the install base of the applications on the PC's. They got it out to the people who use maps online and will have that same data available to the people who use it inside the Town Office building next Monday.

Ms. Sylvia Von Aulock shared some development and recent news regarding sites from the Planning Department. Cobham, which used to be known as Continental Microwave, has conditional approval to expand their building 140,000 square feet which is two stories. Riverwoods had their administration building off of White Oak Drive conditionally approved. ZORC is back doing business and looking at form-based zoning which is new for the Town and across the country. They wrapped up CIP and reports are out. Information can be found on line or at the Library or by stopping into the Planning Department.

### 6. **Discussion/Action Items**

#### a. **New Business**

##### i. **Bid Opening for the Jady Hill Utility Replacement Project Phase I**

Chairman Aldrich opened 3 sealed bids as follows:

- |                                  |                 |
|----------------------------------|-----------------|
| 1) SUR Construction in Rochester | \$ 2,030,235.00 |
| 2) Severino Trucking, Candia, NH | \$ 2,567,325.00 |
| 3) Polito & Sons, Shrewsbury, MA | \$ 1,885,400.40 |

**Mr. Clement moved to forward the bids to DPW and Wright Pierce for analysis and**

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**recommendation. Mr. Quandt seconded. Vote: Unanimous**

### **ii. CIP Project Reviews**

Mr. Ferraro said that last week's discussion about the fire station brought up an issue that he has observed over the years which he can best describe as "mission creep". Mission creep is the incremental increasing of activities or projects. He explained why he feels that the fire station project is an example of this. They are now hearing that going back 6 or 7 years this project was referred to as just a fire station or station 2 and not a substation. This is just plain wrong. As recently as 2009 the Town officially called this a fire substation. Mr. Ferraro dislikes mission creep and he dislikes misleading the taxpayers. This was always going to be a substation in the taxpayers' minds.

Kristen Murphy gave a power point presentation on the Conservation Commission's CIP Proposal to address necessary repairs at the Raynes Farm. This is the big red barn on Newfields Road. Raynes Farm was purchased by the Town in 2002. Funds for the purchase included a voter supported warrant article, a large matching donation of conservation land and a significant Land Community Heritage Investment Program (LCHIP) grant. The reason this property was awarded LCHIP money was because of the significant historical resources present there. At the time of evaluation the State determined that this was eligible for the NH list of historic places and it was also felt that this property could be eligible for the National Historic Register with further research. The use of LCHIP money comes with some specific requirements. Certain changes to the property must be approved by LCHIP, but most significantly the Town is required to keep the property in baseline condition. Baseline condition is the condition that the Town acquired the property at or better.

Prior to the purchase, the Town hired a structural engineer to go and assess the building. During that assessment a number of projects were identified and prioritized. They have been making progress on getting these projects done over the past years. Some of the most significant repairs include: repairs to the internal support posts, site grading to divert storm-water away from the barn's foundation, installing electrical service and lighting, installing a public parking area and rebuilding all but one of the failing sills. For the CIP cycle for the years 2012-2017 the total project cost is \$107,000. Tonight they are just talking about those projects in 2012 with a total cost of \$37,000. This includes \$30,000 for the roof replacement and \$ 7,000 for removal of the silo roof connection.

The current barn roof was installed in 1991 and has significant deterioration. The typical asphalt shingles that it has are generally expected to last between 10 and 25 years. Water damage is the single greatest threat to historic barns. As mentioned earlier, it is not an option to allow this barn to deteriorate because of the Town's obligations to LCHIP. A decision has to be made whether to replace it now before it fails. There is risk in putting this off until another year. Some work was done last year after a wind storm as a result of an insurance claim. The second portion of the project is removal of the silo connector room which is a very small building. The structural engineer recommended demolishing it because it is felt that it puts a physical strain on the entire building. The silo will remain. Ms. Murphy feels that this place is special for a number of reasons. Over the past few years the Conservation Commission with guidance from the Raynes Farm Stewardship Committee has worked diligently to improve this property and accomplish many tasks not requiring special assistance thru volunteers.

Mr. Quandt asked what the Town's legal liability is if the barn falls down. Kristen Murphy replied that if LCHIP determines negligence, the Town may have to pay back the grant money and Mr. Clement confirmed this to be true.

Sylvia Von Aulock, Town Planner, gave a power point presentation quick overview of 2012 CIP

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projects. CIP is a planning document used to see what facilities, programs, improvements, studies, vehicles and equipment are needed over the next 6 years. (Please see attached sheet) Ms. Von Aulock said that some of the water and sewer projects are revenue saving. Life to date maintenance costs are very high on some vehicles because replacement has been put off.

The Planning Department, EDC, Mr. Dean and others have asked themselves how Exeter can maintain and improve its infrastructure without over burdening tax and rate payers while encouraging development in Exeter's commercial district. They have answered this by looking at 2 proven success stories, revenue from parking permits/parking meters and tax increment financing.

The streetscape improvement program came about over years and years to address desired projects to improve on the sidewalks, curbing, drainage repairs and other street amenities with little to no burden to the taxpayers. Typical issues include overlapping patch work, potholes, material variation, broken curbing, buried curbing and damaged trees that have not been replaced. How do they generate revenue to pay for these repairs without burdening the taxpayers? One of the ideas is parking fees for Town owned lots either via kiosk style meters or parking permits such as a monthly or annual pass. There has been a lot of discussion about what these revenues can be used for. Ms. Von Aulock read the RSA which details what the revenue can be used for. The two proposed downtown lots are the Center Street lot and the boat ramp lot. It has been commented that many people who use these lots now would just walk from the municipal lot which is an option. Different options exist for metering and/or permitting the spaces in each of these lots. BOS policy decisions would include what the fees would be if spaces would be metered, if there would be metering versus a monthly or yearly permit and where the revenue would be allocated. Project cost if they went with the proposed 4 meters would be \$44,000 and that would include meter installation and training. Parking fee comparisons with other Downeaster train stations and other downtown parking areas were shown.

Selectman Clement commended the Town Planner and Mr. Dean for trying to find an additional source of revenue to address needed infrastructure improvements. They have come up with a novel idea and they can debate whether or not to go with this. This will surely generate a lot of discussion which is good. He doesn't want to discourage Town employees from coming up with new ideas like this. Chairman Aldrich questioned if they got into permitting whether there would be assigned spaces or if it would just be having a spot open. Ms. Gilman said that they would not need to assign a specific spot but would just need to be sure there were the appropriate number of spots open and noted also that these would include snow removal. Mr. Ferraro questioned why they didn't go with the Town lot which is the biggest and has the most users. Mr. Dean explained that this is more about whether or not the concept is acceptable than where you are going to do it. They were starting the process slowly with just the two smaller lots. A space is a space as far as whether it will generate revenue or not. The program is designed to be one of reinvestment. It does not disqualify another lot from being part of the program.

Mr. Clement would separate this into two pieces and address the train parking lot differently from parking downtown. He feels that the problem with the two lots currently under discussion is that they are not used by the general public coming to the downtown. They are used by merchants and commuters who will be hit the hardest. Train riders might be willing to pay a nominal fee to help maintain a resource that they utilize.

Mr. Ferraro feels that this needs further study. There will be a balloon effect as people spill out onto the side streets. As parking requirements are then put on those side streets it will keep rolling until they end up with a big parking bureaucracy. It is great for the Town to have the train station and they get a lot out of it but there is a cost. If they are going to pay for that cost let's just get enough to pay for it and not

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pay for that plus plant trees downtown. Ms. Gilman was more interested in seeing what it would take to have a town wide program instead of starting with a Pilot program. The revenue is definitely needed.

Arthur Baillargeon pointed out that the \$30,000 CIP article for the fire station referred to earlier says substation. Chairman Aldrich said that this will be discussed in more detail at another meeting.

Julie DiCarlo, retail owner of a shop on Water Street, questioned where in the RSA it says that monies raised from parking fees can be used for public walking areas. Mr. Dean explained that the State definition of streets and highways includes this. Ms. DiCarol feels that the current proposal targets retail shop owners who own their buildings and pay taxes for such items as sidewalk maintenance. It seems to be taxation without representation since many retail owners are not Exeter residents. They spend a lot of money on marketing to draw people to their shop in Exeter. Last week one of her customers from Nashua commented how wonderful it was that Exeter had no ugly parking meters downtown. This customer further commented that she has seen the deterioration of downtown Nashua when parking meters were installed.

Fred Hummel, Exeter resident, feels that they are selectively targeting 2 small lots that are easy to avoid. The Town will end up spending \$44,000 on meters and people will just go elsewhere. He asked if any surveying has been done on this and without survey data they are really just guessing. Ms. Von Aulock said that some study work was done in 2005 on the downtown lots. All lots are essentially full as early 8 am or 9 am and people start leaving at 2 pm. She pointed out that it is a policy option to permit only and then they would not need to spend a dime on meters.

Mike Ward, Exeter resident, said that his primary focus has been on looking at this parking conundrum from the point of view of someone who takes the train to Boston every day. There is an assumption that resident and non-resident commuters have to commute out of Exeter. He spoke to NNEPRA and learned that there are 100 pass riders that board in Exeter every day. Mr. Ward surveyed 50 of these people on September 22<sup>nd</sup> and 23<sup>rd</sup>. Of the 50 people surveyed, only 2 of them will continue to use the Exeter station as a hub if they are charged \$5.00 per day for parking. His survey results also include their alternate station choice. This will have serious consequences for Exeter and Mr. Ward went on to describe many of these. He has come up with a counter proposal on how to split off the train station as a self funding entity because another part of his survey asked what they would be willing to pay to park. The answer was \$ 2.00 per day (\$520 per year). At that rate at 85% occupancy (77 spaces) revenue would be \$ 40,040. Mr. Hall, his reference for cost of operations for the lot, has advised that it costs about \$40,000 per year to maintain the lot. So at \$ 2.00 per day this could be done.

Courtney Dobbs, Exeter resident, is concerned that this will cause parking to spill over to the little side streets which are saturated with small children, especially with the Lincoln Street School there. These side streets are not designed to handle this volume of parking and is a disaster waiting to happen. Consider snow plows going and dusk and the school right there. She asked if any surveys have been done on the difference in revenue between high turnover lots versus monthly permit lots. Mr. Dean said that the high turnover lots would generate more revenue. She thinks the parking kiosk needs to go downtown.

Beth Dupel, owner of Exeter Copy and More on 2 Center Street, commented that the Center Street lot is used primarily by merchants and their employees. It is full at 8:45 am in the morning Monday through Friday. This would be penalizing the merchants and their employees unfairly. She would be concerned that the boat ramp lot might cause issues for the Farmer's Market, concerts and July 4<sup>th</sup>. Mike Ward pointed out that if an onerous parking fee is imposed people will dodge the lots. If there is a snowstorm

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and Union Street is snowed in so that the fire department can't get down there, the Town will be liable. We don't want to create a public safety hazard under the auspices of collecting revenue. Julie DiCarlo asked the Board to look at last Tuesday's Exeter Newsletter which highlighted many of the nonprofit stuff they do for the community. If they have to pay to park, it will decrease their revenue and they will have to pull back on the amount of community outreach that they do.

Bob Hall read a statement from the Exeter Train Station Committee which recommends that the current proposal be postponed until further study can be done. It is apparent that moving ahead with the study as presented could have significant unintended negative consequences. Chairman Aldrich reminded everyone that this is just the first step in a very long process. These CIP projects will be forwarded to the Budget Recommendations Committee which will have opportunity to weigh in on them before going back to the Board for debate as to which ones actually get on the warrant and in what form. There is opportunity for much more discussion and the warrant is not built until January. All of these points are well taken and will be considered.

Sylvia Von Aulock presented a short slide show which explained what a tax financing district is. A TIF is the financing of public improvements with the incremental taxes created either by new construction, expansion or renovation of property within a defined portion/district of the community. Mr. Dean added that it is an independent district designed to invest in a specific area. Undeveloped land is generally needed in order to make this work. Sylvia Von Aulock highlighted success stories with financing districts in Peterborough, Keene and Newmarket. Originally the EDC subcommittee looked at four potential sites in Exeter: the Downtown, Lincoln Street area, Portsmouth Ave and the Epping Road corridor. It was decided that the best choice would be the Epping Road corridor because it had the most potential for development. Potential capital projects include water and sewer line expansion, access management improvements, sidewalks, landscaping and lighting. Mr. Dean said that the Town has had interest in Epping Road from various developers over the past few years. One of the things that drives their decision making is public infrastructure and how it would be done.

There was discussion about how a TIF would work. A tax district is drawn, the building is built and all of the tax revenue from the development goes into the specific fund. The money used for the improvements is the difference between what the tax level is before improvement versus after improvements. The TIF can be dissolved whenever the Town chooses. Chairman Aldrich said that there has been some confusion that the person developing the land does not pay the full tax. Mr. Dean explained that property owners still pay the full tax but it is apportioned differently. Mr. Dean said that the \$40,000 being asked for would be dedicated to a consultant with experience in TIF's who would do a proper review, recommend the best TIF and help the Town carry the process through to a Town vote. Ms. Gilman pointed out that there are also a lot of technical requirements involved with managing the financial aspects of a TIF district which include State reporting. Mr. Ferraro sought and received clarification that projects funded by TIF money are still subject to voter approval. He also inquired why this money was not in the budget since it is for consultant services. Mr. Dean said that this is a one time cost and other Board members pointed out that it is also a new concept.

Barry Sandberg, EDC Chairman, explained that they have designated a subcommittee chaired by Don Briselden which has been looking at models of TIF districts and speaking to experts for the past 6 months. They have done a lot of the groundwork and have gotten about as far as they can without technical assistance. The commission has voted with a large consensus to ask for \$40,000 for a consultant to help the Town move to the next level. The commission has completed its visioning session and has begun the process of reviewing the results and ranking priorities. Real estate development is one area of priority. One of their priorities is to see Epping Road fully developed with good

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architectural design and streetscape improvements. Jim Knight asked if the Westex project was a TIF and Ms. Gilman said it was not. It was a special program to generate ideas which was a 2 day brainstorming event.

### **iii. FY12 Preliminary Budget**

Mr. Dean gave a power point presentation overview of the preliminary fiscal year 2012 budget. It is the first draft of the budget which represents department requests to the Town Manager's office for 2012. Chairman Aldrich emphasized that it is early in the process and the preliminary budget contains some assumptions at this point when actual numbers are not known such as for health insurance costs. There are 3 primary funds in the Town that become part of the Operating Budget each year: the General Fund, the Water Fund and the Sewer Fund.

The base budget that is in place right now for 2011 which funds all operations is \$16,208,687. The total FY12 General Fund Budget request is \$17,140,102. The FY12 budget request includes \$319,2900 for DPW capital requests (sidewalk tractor, dump truck and one ton dump truck), \$250,000 for paving approved in a 2011 warrant article, \$44,799 for Great Dam design engineering & study, \$77,625 for the Swasey/Water Street culverts and \$239,701 of increases in other areas such as direct assistance, EPA storm water mandates and maintenance items. Mr. Clement asked what the default budget is and Mr. Dean said that the preliminary number is 16.7 million. Mr. Dean pointed out that the Police, Fire and DPW operations combined make up 70% of the General Fund Budget.

Mr. Dean summarized General Fund Budget trends. Payroll is up 1.57% year over year. Health insurance is currently projected to increase by 12% because the actual number rating will not be received until October. Increased retirement costs for police and fire are impacting the budget by an increase of \$115,000. All 3 employee groups from Group I are contributing more to their retirement but there are still increased costs to the Town. Utility costs have decreased in some areas (electricity), while increasing in others (fuel, natural gas). The 2012 budget carries first year debt service for recent projects (Great Dam design/engineering, Swasey and Water Street culverts).

The 2011 Water Fund base budget is \$2,018,276. The proposed FY12 Water Fund Budget request is \$2,446,522. There are 3 key items that are driving the Water Fund Budget request for 2012 above the 2011 base: DPW capital items (WTP roof, WTP piping/boilers) in the amount of \$206,150, water line replacement debt service in the amount of \$197,861 and \$24,234 for other capital maintenance items. There are no new personnel and health insurance is a projection at 12%. The Public Works contract is out right now and any settlement on that would be done via a warrant article.

The 2011 Sewer Fund base budget is \$1,733,150. The proposed FY12 Sewer Fund Budget request is \$2,097,417. It includes \$130,663 for sewer line replacement debt service, \$77,702 for the Water Street interceptor project (50% ARRA funded), \$110,000 for small station generators and a \$45,902 increase in other capital /maintenance items. Payroll is up 0.8% year over year and the sewer fund has the same utilities issues as the other funds.

In summary, Mr. Dean said that the budget request reflects general operations and current staffing. It also includes a few small items such as initial support to the EDC in the amount of \$10,000. It should be known that right now the Town doesn't provide any financial support to the EDC. It is very difficult for them to be such a major component of the Town organization if they don't have any funding available to them. Health insurance is a wild card right now. The health budget projected at 12% is a \$233,000 increase in the budget. It emphasizes capital investment which includes paving and vehicle replacement. Right now the concern is that they are not funding any of the Public Works vehicles and

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equipment and have not had good luck with lease purchases. As the fleet ages, maintenance costs will continue to increase. The budget will be reviewed by the Budget Committee in October and November and returns to the Board of Selectmen in December for final review. Budget and bond public hearings are in January. Deliberative Session is in February with Town vote in March.

Mr. Clement asked when they will have a line by line item budget. Mr. Dean said that they should have it tomorrow. There was some discussion about giving some direction or target number to the Budget Committee. The health insurance wild card makes this difficult. Mr. Clement suggested using the default budget as their baseline goal. Mr. Ferraro expressed concern that the default budget contains other escalators. Chairman Aldrich summarized by saying that there will be some goals that the Board of Selectmen will send to the Budget Committee prior to their all day meeting on the October 26<sup>th</sup>.

Jim Knight recalled previous years with substantial health insurance increases and the finance director proposing different alternatives to lessen the impact such as buyouts or finding a different underwriter. Mr. Dean said that he has seen increases as low as 4% and as high as 22.3%. Mr. Knight asked if the Town is still using LGC and Mr. Dean confirmed that the town is part of the Healthtrust which is under the LGC. Mr. Knight commented that it would be interesting to see estimates from other insurance companies. Mr. Aldrich and Mr. Dean pointed out that there is union contractual language that outlines the scope and content of the health plans. There is also additional administrative burden to managing multiple health care plans. The Town has established some of the alternative programs such as the buyout option and there has been savings from this.

### **b. New Business**

#### **i. EMS Billing**

Assistant Chief Ken Berkenbush was present to speak about the ongoing process of ambulance / EMS billing. Over the summer an RFP was written for the Seacoast Fire Chiefs Mutual Aid District looking for providers for 21 communities in the Seacoast area that do EMS billing. They received 7 applicants back whose fees as a percentage of revenue collected ranged from 4.5% to 6.75%. The lowest was Certified Ambulance Group out of Connecticut at 4.5%. They also offered an additional 3% discount if the bill is paid within 15 days of receipt. A copy of the proposed contract was provided to Board members for their review. Each community would enter into its own individual contract and no Town is obligated to join. Mr. Clement asked what the anticipated increased revenue would be. Mr. Berkenbush said that he is currently do a micro-survey. After he has the results they will try to come up with a more comprehensive plan that will allow them to maximize their recoverables. Chairman Aldrich asked if there would still be local flexibility for special circumstances and Mr. Berkenbush said that each town would retain the ability to set their own policy. It will take between 60 to 120 days to get this up and running after Board approval. They will try to negotiate the contract as many years out as possible to try to retain the good rate. Mr. Ferraro noted that there are still blanks in the contract. The Fire Department was given the go ahead to have Town Counsel review the contract, fill in the blanks and bring it back to the Board.

#### **ii. Final Reading: Crestview Drive Speed Limit**

Chairman Aldrich explained that this was the final reading of a proposed change to Town Ordinance Section 203 to add Crestview Drive to the list of streets with a speed limit of 25 MPH. He invited comments and there were none.

**Mr. Quandt moved to accept the amended language of the Town Ordinance. Ms. Gilman seconded. Vote: Unanimous**

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### **iii. Solar Array Re-bid**

The Office of Energy and Planning has offered additional grant money to see if the Town can get a more favorable proposal for the solar array at the WWTP. Ms. Gilman explained that they can get another \$50,000 toward the project but it had to be put out to bid again. They would need to have a bid approved by the Board of Selectmen and have a contractor signed up before the OEP will issue the additional \$50,000. The State would like to see the project happen.

**Mr. Quandt moved to reject the August 22<sup>nd</sup> bid from Lamco. Ms. Gilman seconded. Vote: Unanimous**

Mr. Ferraro responded to a comment made last week with regard to this that there were no costs to the taxpayers for this project beside the cost of the energy. He believes there are some various administrative and manpower costs to go through the bid and contract process although they may not be a lot. Ms. Gilman said she did the majority of the writing of the RFP herself and Mr. Smart helped also. Everything has been done electronically so there haven't been any postage costs. The effort that has gone into this has been done by a volunteer committee. Any bids received will be opened and reviewed. The Energy Committee will handle the process the same as the first two times.

### **iv. Update on Tax Deed Process**

Chairman Aldrich said that the list of deedable properties is down to 74. Included in this list are several vacant, abandoned and owner unknown properties so the actual impact to occupied residences is less than 74. The Town continues to gain information about each property in terms of cost and liability should they choose to accept the deed on October 31<sup>st</sup>. Amounts needed to clear up the lien issue range from \$36 to more than \$ 25,000. Several owners have come in and spoken to a Board member to discuss what they can do to try and be clear of this before October 31<sup>st</sup>.

The Board has been hesitant to get into formal payment plans because past history has shown that they are usually not kept up with. Also if people make payments but are not successful in paying off the balance before October 31<sup>st</sup> they get their payments back as part of the deeding process. However, once the property is deeded, there is an opportunity for the Town to enter into a payment plan with the owner to avoid eviction. The owner could stay in the property under a formal payment plan until the taxes, penalties and fees are paid off. This carries additional responsibility and liability on behalf of the Town in that the Town would own the deed to the property which sets up other issues. Mr. Quandt asked what the additional responsibilities would be. Mr. Aldrich said they could structure the agreements as to what the owner was responsible for but the Town would still be the landlord. The Board needs to decide in concept if they want to enter into agreements after deeding that allow tenancy and payment plans and whether that would be for one or 74. Mr. Clement asked about the refined list for each property and its liabilities. Mr. Aldrich said that the list should be available before October 31<sup>st</sup>. Mr. Clement pointed out that any land only properties would not be subject to these occupancy issues.

Mr. Dean recommends against this. The Town lacks the administrative support for this process and lacks the resources to administer long term leases and payment plans. His suggestion is to talk to the Housing Authority to see if they have any interest in any of these properties. Mr. Ferraro inquired whether or not the owner could repurchase the property and have the Town become the mortgage holder for the repurchase amount. This would take the Town out of the liability chain and the agreement could be structured in such a way that after a certain number of missed payments the Town evicts the owner and the deed reverts back to the Town. This is a question that will be asked of legal counsel. Mr. Dean pointed out that if the Town takes a property for taxes the right of repurchase goes into effect. The Town will notice them and allow them to make a repurchase effort. In order to do that they have to pay

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the back taxes, penalties, interest and 15% of the assessed value of the property. Once the property goes to deeding the ability to buy it back becomes more difficult. Mr. Ferraro noted that this does allow a longer time frame to pay it off though. Chairman Aldrich noted that progress is being made and the number of properties on the list has been dropping. A good number on the list owe less than \$1,000. There is an appeal out there to others in Town who may be able to help. Many could get off the list with just a little bit of assistance. Sue Benoit in Human Services has been trying to assist with this as well.

Marion Mengert advised that reverse mortgages are available for people aged 62 and over. For some people being able to have a little time to negotiate this might be useful and she asked if there was any flexibility with the timeline. Chairman Aldrich said that the letters were sent in June and there isn't any flexibility with the current date. Ms. Mengert also asked the Board to consider amnesty for people who missed the deadline for abatements they are qualified for or if the interest rate could be reduced. Chairman Aldrich said that the interest rate is set by State law and is the same in every town. Her ideas are all good ones and the Board has been supporting people by helping them to pursue any available options since June.

Malcolm Wetherbee asked the Chair for an estimate on how many reductions might be possible if a fund were set up to move that group away from the large mass with the big heavy burdens. Chairman Aldrich said that about 1/3 of the 74 properties owe less than \$1,000. Mr. Wetherbee asked what will happen on October 31<sup>st</sup> and Mr. Aldrich explained that they will go through the properties remaining on the list one by one and vote whether or not to accept the deed. Marion Mengert commented that she had heard that many of these property owners are also behind on lot rent and so she questions whether financial assistance might be throwing good money after bad. It was pointed out by the Board that many are also behind on their water and sewer.

Mr. Dean explained that legally the Town cannot pay someone's taxes. It has to be done by some outside entity. After taking a tax deed, the Town would conduct a tax sale if the property has value by a sealed bid or auction. They would attempt to recover the taxes plus any interest or penalties. As part of this process the prior owner is notified. Any excess proceeds are returned to the owner. Mr. Quandt asked how long the people have to vacate the property after the Town takes the deed. Mr. Aldrich said that Town Counsel is looking into this and they have been in discussion with the Sheriff's department and the Police department in terms of a process for this. Mr. Ferraro asked if they could try to have the properties book available by October 17<sup>th</sup>. Chairman Aldrich said that Kelly Geis is working on the book now and hopes to have it done even earlier than that.

Mr. Dean advised that the Selectmen's packets contain some documentation copies regarding an individual who has passed away and the estate has been declared insolvent. There is an outstanding tax liability on this property at King Arthur Court with no means of recovery. He explained that there are certain circumstances under tax law when it is not possible to collect, such as for bankruptcy or insolvency. He is asking the Board to waive these taxes based on the fact that it is an insolvent estate and authorize the park, Exeter River Landing, to obtain a demolition permit from the Town Building Department for this property.

**Selectman Clement moved to waive the taxes of \$712.47 plus interest based upon the insolvency and allow Mr. Eastman to issue a demolition permit, conditional upon demolition of the property. Mr. Quandt seconded. Vote: Unanimous**

Mr. Dean explained that they have a Right of First Refusal on a piece of property on Newfields Road which was brought to him by Mr. Callahan last week. He believes that the sale price is in the vicinity of

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\$950,000 to \$ 975,000. If the Town is not willing to buy it, the Board would waive the Town's right of first refusal.

**Mr. Clement moved that the Town waive the right of first refusal on the Callahan property on Newfields Road (Tax Map 35, Lot 13). Mr. Quandt seconded. Vote: Unanimous**

### **v. Water/Sewer Follow Up: Credit Issue**

Chairman Aldrich met with Finance to talk through what the process might be to implement this. Finance continues to work on it and has identified 4 items to be brought back to the Board for consideration. Finance has said that they could figure out the 2010 usage by account if necessary. However, calculating the 2011 usage would be much easier if the Board were willing to wait until after December 31<sup>st</sup>. The Board had talked about creating the credit based on two of Mr. Ferraro's identified three buckets of money, the first being the revenue received based upon corrective billing and the second being the additional revenue that the Town is receiving based upon the corrected multipliers. The first is much easier to calculate than the second. Everyone has estimates as to what the second number will be but in reality that number is not known until the final bills go out at the end of the final quarter of 2011. Neither the Finance system nor the printing is currently designed to add the credit line to the bills, although it is not insurmountable for them to make changes to the process and programming to be able to do this. Their question back to the Board is whether they would consider not going with a service fee reduction and offset the 2012 tier rates instead. Chairman Aldrich has asked Finance to create a more formal response to what the Board has asked them to do with this. There will be more discussion on this at a later date.

## **7. Regular Business**

**a. Bid Openings - None**

**b. A/P and Payroll Manifests**

**a. Accounts Payable and Payroll Manifests**

**Mr. Ferraro moved to approve a weekly payroll warrant for checks dated 9/21/2011 in the amount of \$ 166,834.53. Mr. Quandt seconded. Vote: Unanimous**

**Mr. Ferraro moved to approve an accounts payable warrant for checks dated 9/23/2011 in the amount of \$ 161,635.38. Mr. Quandt seconded. Vote: Unanimous**

Chairman Aldrich noted that the \$10,000 legal bill is in this warrant.

**c. Budget Updates - None**

**d. Tax Abatements & Exemptions**

**Mr. Ferraro moved to accept an abatement on Map 79, Lot 25 in the amount of \$467.59. Mr. Quandt seconded. Vote: Unanimous**

**e. Water/Sewer Abatements - None**

**f. Permits - None**

**g. Town Manager's report - Waived**

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### **h. Legislative Update – None**

### **i. Selectmen's Committee Reports**

Selectman Ferraro sent an email this morning to the Brentwood Town Planner asking for an update on the status of the proposal for the Pine Road safety study. He received a response back that they have received 2 proposals and chosen one to work on a contract with. Mr. Ferraro has asked them to send a copy of the proposal.

Selectman Quandt had nothing to report.

Selectman Aldrich attended the Lincoln event at the Town Hall on Saturday where the Town formally accepted the tusk with the engraving of President Lincoln. The tusk is now at the Library where it can be viewed. The Arts Gallery has a show called The Vision and The Word until October 2<sup>nd</sup>. It will run on Saturdays and Sundays at the Town Hall from Noon to 4 pm.

Selectwoman Gilman announced that there is an EDC meeting tomorrow at 8:15 am. The Heritage Commission Demolition Review Committee is reviewing a property at the end of River Street.

Selectman Clement had nothing to report.

### **j. Correspondence**

1. Copy of the official ballot for the October 25<sup>th</sup> special election which is ready to go to print

### **8. Review Board Calendar**

The next regular Board of Selectmen meeting will be Monday, October 17th at 7:00 pm. There will be no regular Board of Selectmen meeting next week Monday, October 3<sup>rd</sup> or Monday, October 10<sup>th</sup> (Columbus Day holiday).

### **9. Adjournment**

**Mr. Quandt moved to adjourn, seconded by Ms. Gilman. Vote: Unanimous**

The Board stood adjourned at 10:32 pm.

Respectfully submitted,

Jennifer Mancinelli  
Recording Secretary

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