

**NOTES OF NOVEMBER 14, 2013 RYE BUDGET COMMITTEE MEETING
ALL DAY BUDGET WORK SESSION**

Final Revision B – Provided by the Rye Civic League

Present (counterclockwise around table): Shawn Crapo (arrived late), Peggy Balboni, Ray Jarvis, Doug Abrams, Jim Maheras, Paul Goldman, Selectmen Craig Musselman, Ned Paul (arrived slightly late), Cyndi Gillespie, Mike Magnant (arrived slightly late), Randy Crapo (arrived late and sat in audience),

Present from public: Peter Crawford (afternoon only)

Editor's note: For ease in finding particular sections using the archived video and audio on the Town website, the elapsed time is indicated. Use the slider and the elapsed time indicated at the bottom of the video window to fast forward to the desired section. Videos on the Town website may currently be accessed at www.town.rye.nh.us by clicking on "Town Hall Streaming" at the bottom left of the screen. Follow the link for "Town Hall Live Streaming," then find the meeting by date under "Previous."

Editor's note: The budget and proposed figures are taken from the 2014 Budget Worksheet Summary by Department which was provided by Cyndi Gillespie.

The video starts at 8:31:12 a.m. with the audio on. The audio was turned off at 12:43:10 p.m. (251:58 elapsed) and back on at 1:33:01 p.m. (301:49 elapsed) in connection with the lunch break. The video continued to run during that time.

Summary

1. [Large fringe benefit increases are projected \(health care 17.6 percent, retirement 22 percent\)](#)
2. [Increases in Animal Control funding recommended to deal with dogs on the beach.](#)
3. [Warrant article for a second ambulance is to be proposed](#)
4. [Ray Jarvis warns that health care is a train running out of control.](#)
5. [Recreation \\$20,000 space needs study recommended over two dissents](#)
6. [Conservation planning \\$3 million warrant article, looking at acquiring four parcels, including the former Rand Lumber property and 1-2 other large ones.](#)
7. [The CIP plan includes several large projects, totals \\$19 million, leading to a projected \\$1.46 increase in the tax rate](#)

Opening comments (0:00 elapsed)

Paul Goldman opened the meeting, by commenting on the outstanding job done on the budget books. He noted, however, the deteriorating situation regarding attendance, and the lack of response to his messages requesting commitments to be present. Six members must be present in order for them to vote, he said, and there are barely enough present. Furthermore, one or two persons will need to step out part way through the meeting.

Editor's note: The video at that moment showed six voting members (counterclockwise around table): Balboni, Jarvis, Abrams, Maheras, Goldman and Musselman. Members Shawn Crapo, Randy Crapo, Ned Paul, John Murtagh and Frank Drake appeared to be absent, at that time, although the first three arrived later. According to the Town website as of November 21, 2013, these are the 11 members

plus Ralph Hickson who is listed as the Alternate Water District Representative. The December 2013 Town Newsletter reports that John Murtagh has resigned from his position as Rye Water District Commissioner.

(Ned Paul was observed on the video arriving at 8:35:03 a.m. (3:51 elapsed))

(Shawn Crapo was observed on the video arriving at 8:35:44 a.m. (4:32 elapsed))

Preliminary remarks by Town Finance Director Cyndi Gillespie (4:03 elapsed)

Ms. Gillespie stated that the budget was increasing by 4.04 percent over the prior year, based on department requests. *Editor's note: See the notes of the October 30, 2013 all day Board of Selectmen budget session. There are 53 weekly pay periods in 2013 vs. 52 in a normal year. In addition, the budget does not reflect COLA (cost of living adjustment) increases for any employees. These will be added later. The police and fire contracts are up for renewal this year. Past practice has been to submit the amount of increased wages under the negotiated agreements as a warrant article.* Ms. Gillespie continued, stating that the updated green sheets voted on by the Board of Selectmen reflect an increase of 2.13 percent, up from 1.76 percent previously indicated for those accounts. The difference between those figures is in the Finance budget. *Editor's note: The prior evening, the Board of Selectmen had voted to add a part-time assistant to Ms. Gillespie's staff.* The Board of Selectmen will vote on department capital requests on December 9. The Conservation Commission budget has been tabled at this point.

No warrant articles are included at this point. Ms. Gillespie passed out a sheet showing the history of the tax rate.

Mosquito Control, 4414-39 (7:31 elapsed)

2013 Budget: \$96,500. 2014 Proposed: \$96,500. Recommended: \$96,500.

Ted Merritt, Chairman of the Mosquito Commission, addressed this budget, which has been flat for three years. There is enough in reserve to conduct two street sprayings. There was discussion about EEE being found in North Hampton this past year, and the need to keep some street spraying funds in the budget. Street spraying is more for the comfort of the population, as it doesn't get into the back yards, he said.

The motion to recommend the budget as presented carried unanimously.

Discussion regarding fringe benefit increases (16:39 elapsed)

Ray Jarvis asked about the increase in the retirement rate. He noted an increase from 8.80 percent to 10.77 percent and asked whether that wasn't a 22 percent increase vs. the 1.97 percent indicated. *Editor's note: 10.77 divided by 8.80 is 1.22, the apparent source of Mr. Jarvis' 22 percent.* Cyndi Gillespie noted that one of the columns was mislabeled and some percentage marks appeared where there should be dollar signs. However, she acknowledged that the 8.80 percent and 10.77 percent are percentages of the wages. *Editor's note: Apparently the increase in the Town's contribution to the retirement fund amounts to 1.97 percent of the total compensation, but the total contribution is up by 22 percent relative to what the contribution would have been if the 2013 rate of 8.80 percent had been applied to the 2014 wages, rather than the 10.77 rate for 2014 which is being applied.*

Mr. Jarvis then asked about the 17.6 percent increase in health insurance. He stated that this is a huge number. Ms. Gillespie stated that this was the increase over the prior year. Mr. Jarvis asked about an 8.4 percent increase figure that also appeared in the information provided. Ms. Gillespie stated that 8.4 percent was the increase in 2013 and 17.6 percent is the increase for 2014, so the figures are additive.

Emergency management, 4290-17 (elapsed)

2013 Budget: \$5900. 2014 Proposed: \$6400. Recommended: \$6400

Police Chief Walsh presented this budget and discussed the drill cycle. The motion to recommend the budget as presented carried unanimously.

Police Department, 4210-15 (24:18 elapsed)

2013 Budget: \$1,231,168. 2014 Proposed to Selectmen: \$1,299,002. Proposed to Budget Committee: \$1,298,590. Recommended: \$1,298,590.

Police Chief Walsh presented this budget. He noted that the department lost two employees after a retirement and one officer having left to work for a Sheriff's department. One full-time replacement was hired and that is working out well. The department is still down one person. They expect to present a candidate to the Board of Selectmen shortly. The candidate will need 12 weeks training at the academy and will make a two year commitment to remain with the police force.

There was some discussion about the vacation buyback, which permits employees to receive cash in lieu of vacation time. It was explained that the Town benefits as this is paid as straight time. If the vacation time was taken, the Town would probably need to pay overtime to provide someone to fill in while the person was on vacation.

The motion to recommend the budget as presented carried unanimously.

Animal Control, 4414-38 (30:08 elapsed)

2013 Budget: \$8367. 2014 Proposed: \$14,188. Recommended: \$14,188

Police Chief Walsh indicated that he is looking to increase the hours, the majority of which are spent in the June to September time frame. The increased time for the Animal Control Officer will free up time so that the police can respond to other complaints.

There were two dog on dog complaints involving the beach this year, Chief Walsh said. It took a two week investigation to resolve one of them. There was an argument that one of the dogs had entered the other dog's "territory." However, Chief Walsh stated, it was on a public beach. Several members chuckled.

Resolving dog issues requires observation. The dog may be some distance away. Observation may reveal that the dog is not responding to calls. There is also the question of what the dog is doing, and whether the dog is interfering with other dogs or persons. *Editor's note: Section 11(a)(1) of the Beach Ordinance requires only that the dog be "under the control of its owner or other custodian" when on the beach, although dogs are banned entirely in the summer during the day.*

The fine for dog violations is \$62, of which \$50 goes to the Town and \$12 goes to the Court, Chief Walsh stated.

In response to a question from Jim Maheras, Chief Walsh stated that the warrant articles have stabilized the situation, but that it is not better. Complaints are now going directly to the Selectmen rather than to the police. This shows that people are fed up, Chief Walsh said.

In response to a question, Cyndi Gillespie stated that checks go through the court, so she does not have a breakdown. This year \$11,983 has been taken in vs. \$3103 at this time last year. Chief Walsh indicated that a couple of bicycle citations had been issued, and one citation was issued to a surfer. *Editor's note: Apparently these figures include more than just dog violations. Exactly what is included is unclear. In particular, there may be increased tickets for drinking on the beach, which has also seen greater enforcement this year.*

Chief Walsh stated that it was important that the parking enforcement personnel focus on parking issues.

The motion to recommend the budget as presented carried unanimously.

Parking enforcement, Fund 8 (41:54 elapsed)

2013 Budget: \$32,400. 2014 Proposed: \$28,755. Recommended: \$28,755.

Chief Walsh addressed this issue. For 2014, a scooter will not be replaced as it had been the prior year. The year 2013 was another busy year for tickets. As of September 19, 339 remained unpaid. Currently checks and money orders are accepted in payment. They are looking at automatic payment, he said. Ms. Gillespie stated that payment by credit card may be available in town in a month or two.

The motion to recommend the budget as presented carried unanimously.

Outside details, Fund 7 (operating portion) (46:23 elapsed)

2013 Budget: \$65,750. 2014 Proposed: \$73,950. Recommended: \$73,950

Chief Walsh discussed this budget. The line project with Asplundh is coming to an end. The Rye Water District job is ongoing right now. *Editor's note: The Water District is replacing water mains. A section on Dow Lane has been completed. The section from Rye Harbor to Washington Rd. is being done this fall. The section from Fairhill Ave. to beyond Pollock Dr. will be done next spring. Also, PSNH has been redoing the electrical service in Town this year and replacing poles.* There may be some cleanup on the poles next spring, Chief Walsh said.

In response to a question, Chief Walsh stated that details are not required. Flagmen may be used. However, there have been times when a flagmen left at dark, leaving a hole in the road, so they have put their foot down on that.

In response to a question about Fire Department outside details, it was revealed that these are primarily for the Fourth of July, and sometimes Odiorne.

The motion to approve the operating portion of this budget, \$73,950, carried unanimously. Ms. Gillespie stated that there was another portion that would be discussed in connection with capital outlays.

Outside details, Fund 7 (capital portion) (46:23 elapsed)

2013 Budget: \$22,000. 2014 Proposed: \$44,000. Recommended: \$44,000

Chief Walsh reported the mileages on the police cruisers:

| | |
|----------|-----------------------------|
| Car 4 | 98,798 |
| Car 211 | 90,012 (as of October 2013) |
| Car 210 | 132,828 |
| Car 2007 | 163,000 |

The new cruiser will be online shortly, Chief Walsh reported. This is a new style, but it's too early to tell how it will work out, he said. Ms. Gillespie reported that last year the cruiser had been split with the General Fund. However, this year there is enough in the outside detail fund to pay for the entire cruiser.

The motion to recommend the capital portion of this budget carried unanimously.

Safety Building, 4194-08 (56:43 elapsed)

2013 Budget: \$68,075. 2014 Proposed: \$63,375. Recommended: \$63,375.

Fire Chief Skip Sullivan addressed this issue. He stated that the discussions regarding the budget are not always as cordial as those with the Budget Committee. Selectman Musselman noted that there had not been an energy evaluation for the building as it is new. Chief Sullivan stated that they were starting to look at the air leaks, the exhaust system and automation of the lights.

The motion to recommend the budget as presented carried unanimously.

Ambulance, 4215-19 (63:18 elapsed)

2013 Budget: \$116,673. 2014 Proposed: \$135,625. Recommended: \$132,625.

Fire Chief Sullivan addressed this budget. The proposed budget is up 16 percent, however the overall budget is small. *Editor's note: See the notes of the October 30, 2013 Board of Selectmen meeting on this budget. The wages of the full-time firefighter/paramedics are in the Fire Department budget, so this budget constitutes only a portion of the total expenditures related to ambulance services.* Calls are up 10 percent compared to this time last year, Chief Sullivan said. Sanctuary Care is "hammering" them, he said. He attributed the calls to uprooted senior citizens being stressed.

There is a new account with \$8000 for seasonal wages. This allows three persons to be on duty on weekends during the summer, to avoid having the Fire Station empty when calls come in on those days. This happened for a couple of hours several times last summer.

Chief Sullivan also stated that one of the call employees had invested \$9000 to \$10,000 of her own money on paramedic training. He would like to reimburse her for half of the cost upon completion of the course, on the condition that she remain with the Department for three years. There is a need for an additional firefighter/paramedic, however he is not asking for that position this year. *Editor's note: See notes of October 30, 2013 Board of Selectmen all day budget session. There are only three firefighter/paramedics to cover four shifts, leaving one shift uncovered. Since the union contract is up this year, there has been discussion about eliminating a firefighter position and creating a firefighter/paramedic position.*

Ms. Gillespie reported that year to date revenue for ambulance services is \$152,780.

There was then discussion about whether reimbursing a part-time employee for training might create a precedent or a danger of the employee leaving after becoming trained. It was suggested that the educational reimbursement be paid over 3 years, which would reduce the budget by \$3000. Chief

Sullivan was comfortable with that.

Chief Sullivan then stated that a warrant article for a second ambulance of similar size to the existing one was being prepared. This would be financed out of the cell tower fund, and the cost would be approximately \$160,000 to \$165,000. Ms. Gillespie reported that there was \$221,179 in the cell tower fund.

Chief Sullivan stated that the ambulance would need to be new as that is what the warrant article requires. Ray Jarvis suggested that “new” could be construed as meaning new to the Town. Town Administrator Magnant stated that the DRA has been strict on warrant articles in the past.

Selectman Musselman asked what the annual receipts into the cell tower fund were. Ms. Gillespie reported that year to date receipts have been approximately \$38,000. Selectman Musselman stated that it might make sense to broaden the purposes of that fund as it has built up to five years worth of revenues.

The motion to recommend the budget, reduced to \$132,625, carried unanimously.

Ray Jarvis referred to Table 9 in the CIP Plan, and stated that the Committee needs to be aware of the capital plans of each department. Decisions should not be made out of context. In some cases the CIP Plan may influence the decisions made this year, he said.

There was then discussion about the price of \$3.50 for gasoline and diesel fuel, compared to a year to date average of \$3.05. After discussion, it appeared that \$3.05 was the price for gasoline only, while \$3.50 was a blended average for both gasoline and diesel fuel. Thus, there was not a large projected increase in the price in the budget.

Ray Jarvis asked whether a warrant article could be submitted to amend the prior warrant article to permit the purchase of a used ambulance. Chief Sullivan stated that this could be done, but questioned whether the Board of Selectmen would want to clutter the Warrant with this. Mr. Jarvis responded that the Town had lost flexibility. This was a way to get it back.

Fire Department 4220-16 (96:20 elapsed)

2013 Budget: \$1,180,884. 2014 Proposed: \$1,253,557. Recommended: \$1,253,557.

Chief Sullivan addressed this budget. It is up 6 percent, he said. The 53rd week this year accounts for \$11,307 of the increase. There is also \$7000 added for vacation buy back. Retirement and health insurance are major causes of the increases.

Ms. Gillespie responded that there is now a full year at the higher rate for retirement. *Editor’s note: The retirement rate increase went into effect during July, 2013.* Chief Sullivan reported that overtime will hopefully decrease on January 1, 2014 as two individuals had been out on disability. Ms. Gillespie reported that reimbursements had been received for short-term disability of \$43,241. Most of that is for the Fire Department, although some is for the Police Department.

(102:28 elapsed)

Ray Jarvis, referring to the health insurance increase, noted that 3 years of 17 percent increases would amount to about 55 percent with compounding. He warned of the impact of ObamaCare. Town Administrator Magnant said that the impact was unknown. The Affordable Care Act was supposed to reduce health care costs, he said. *Editor’s note: That act is commonly referred to as ObamaCare.*

Mr. Jarvis stated that health care is a train running down the track out of control. Mr. Magnant agreed that the effect is killing them. However, they had the joint labor/management agreement the prior year which generated \$60,000 in savings. *Editor’s note: Under this agreement, the deductible for employee insurance was raised, and the Town made up the difference so that employees would see the*

lower deductible. Ned Paul stated that the Town needed to be very careful about adding to head count. If help is needed, part-time is the way to go. Mr. Jarvis stated that this is a huge national problem, but it must be solved at the state level.

Doug Abrams asked what the starting compensation was for a firefighter. Chief Sullivan responded that they hire only firefighter/paramedics now. New hires are paid \$22 per hour and work 42 hours per week. Mr. Abrams stated that the base pay was under \$50,000 annually. It was revealed that a family health care plan was \$30,000 to \$35,000 annually, depending on the plan selected by the employee. Twenty percent of the cost is paid by the employee.

Ms. Gillespie stated that wages for the Town are \$3,375,149, including full time and part-time employees. Benefits are \$1,749,123. These costs amount to 61 percent of the budget.

Mr. Abrams stated that, if the part-time employees are taken out the fringe benefits could amount to 70-75 percent of base pay. *Editor's note: Part-time employees typically receive no health insurance or retirement benefits.*

Jim Maheras asked why they were going through all of the department budgets if they're only talking about 11 percent. He asked whether they shouldn't they be talking about retirement and health care. Someone else responded that these costs could not be changed.

The motion to recommend the budget as presented carried unanimously.

Beaches, 4520-51 (elapsed)

2013 Budget: \$52,266. 2014 Proposed: \$54,200. Recommended: \$54,200.

Beach Commission Chairman Mike LaBrie presented the budget. He stated that they had held the line. They're looking at adding an additional lifeguard at Cable Rd., however this would be offset by reductions in personnel elsewhere in the budget. The program is improving. They have a good head lifeguard who is learning her role well. They will be doubling the flagged swim zone in response to the concerns of residents.

The motion to recommend the budget as presented carried unanimously.

Public Works Buildings, 4194-06 (116:26 elapsed)

2013 Budget: \$12,315. 2014 Proposed: \$12,500. Recommended: \$12,500.

Public Works Director Dennis McCarthy presented this budget. They are trying to hold the line and move things around. The buildings are in very poor shape and they are trying to bring them up to snuff.

In response to a question, Mr. McCarthy stated that the ongoing site study will recommend major changes, including a vehicle wash station, improvements in salt storage and handling, and resolving the issue of a non-compliant fueling area. This will need to be addressed in the next few years.

Paul Goldman asked about the overall facilities master plan. Ned Paul encouraged Mr. McCarthy to provide more information to the CIP Committee as they get more information. Mr. McCarthy stated that the salt shed is the only item in the CIP Plan.

The salt shed is more than just storage. There is a handling issue as well, Mr. McCarthy said. They can deal with limited storage as the salt comes into Portsmouth. The problem is that salt gets into the water and wells. Ideally the salt should be under cover and on a hard surface.

Paul Goldman stated that he is on the Town Hall Committee as well. They are developing the

framework for the Facilities Master Plan. The Facilities Master Plan underlies and drives the CIP Plan.
The motion to recommend the budget as presented carried unanimously.

Public Works Personnel, 4312-23 (122:58 elapsed)

2013 Budget: \$639,488. 2014 Proposed: \$671,234. Recommended: \$671,234.

Mr. McCarthy stated that the budget was driven by costs, including predominantly insurance. They want to increase the temporary help program. Last summer they had a part-time guy who was able to do what the full-time employees do. The part-time position would be 90 days of work at \$15 per hour. Unfortunately, the part-time guy from last summer went into the Marine Corps. Fire Chief Sullivan stated that the employee is his grandson.

In response to a question, Mr. McCarthy stated that vacations are not allowed from November 5 to April 15 unless the person is recallable.

Selectman Musselman suggested that the police implement a summer program similar to what Mr. McCarthy is proposing. *Editor's note: See October 30, 2013 Board of Selectmen notes on the police department and the discussion about part-time officer to handle the higher summer load.* Police Chief Walsh stated that employees plan their vacations around the busy time.

Mr. McCarthy stated that they have been cleaning and mapping the drainage facilities. Very little drainage work has yet been done. They now have a list of cross culverts and they know what needs replacing. The warrant article for the drainage study this year is looking at culverts 15 inches and above. There is a \$150,000 box culvert in the CIP Plan which will be proposed as a warrant article. *Editor's note: This is in the CIP Plan as a 2014 project.*

The motion to recommend the budget as presented carried unanimously.

Public Works Operations, 4312-24 (133:52 elapsed)

2013 Budget: \$473,560. 2014 Proposed: \$475,690. Recommended: \$475,690.

Mr. McCarthy stated that this is a level budget. They have a better handle on sand and salt. They have pretty much eliminated sand on roads. Contracted services is up due to increased paving. There is more mowing of roadsides and sweeping. The Town has 20 percent more catch basins than they were told. The paving budget is not enough to cover what is needed. It should probably be \$100,000 more.

Ned Paul noted that money is left over in the budget and asked why that was not being spent if there are necessary projects. Mr. McCarthy stated that it was too cold to pave now. There was also an unanticipated paving job for \$12,500 on Elwyn Rd. in conjunction with Portsmouth. It took three years to get Washington Rd. done. That was controversial. Selectman Musselman noted that if the money is not spent it is applied to reduce the tax rate.

The motion to recommend the budget as presented carried unanimously.

Solid Waste Collection, 4323-33 (144:23 elapsed)

2013 Budget: \$183,074. 2014 Proposed: \$195,939. Recommended: \$195,939.

Mr. McCarthy stated that much of the budget is for personnel. One person had been moved from the highway budget. They had three part-time employees that were working out well. However one died

and one transferred to Town Hall.

Jim Maheras asked about the prospect for single stream. Mr. McCarthy stated that there is a recycling education committee. Single stream is a potential move. That would reduce the time that the public spends in the area. Revenues would be reduced but recycling rates would increase. Currently, recycling revenues are approximately \$80,000. By weight, 35-50 percent is recycled. Selectman Musselman stated that he guessed that a third of residents have curbside service. It's a significant number, but nobody knows what it is. Mr. McCarthy stated that cardboard, plastic, paper and aluminum are the important revenue generators, in that order. China is looking at recycling 70-75 percent by 2020. California is even more aggressive.

The Town is paying \$72.20 per ton to dispose of solid waste at a landfill. The Town is on the tail end of a 15 year contract with an inflation clause. The contract will be redone in 2015 and they expect to reduce the cost to \$62-65 per ton. Hampton will be leaving the group of ten towns that Rye is part of.

The motion to recommend the budget as presented carried unanimously.

Solid Waste Disposal, 4324-34 (153:02 elapsed)

2013 Budget: \$197,080. 2014 Proposed: \$205,905. Recommended: \$205,905.

Mr. McCarthy stated that the budget is up as the fees are inflated at the Boston CPI.

The motion to recommend the budget as presented carried unanimously.

Street lighting, 4316-27 (154:48 elapsed)

2013 Budget: \$5,500. 2014 Proposed: \$5,000. Recommended: \$5,000.

Mr. McCarthy stated that they are getting a handle on costs and who should be paying.

The motion to recommend the budget as presented carried unanimously.

Land Management, 4520-55 (156:05 elapsed)

2013 Budget: \$19,360. 2014 Proposed: \$19,260. Recommended: \$19,260.

Mr. McCarthy stated that the high cutting of trees to 16 feet will be done late in the year. The budget does not go a long way. The "precinct" has it's own program, he said. Jim Maheras asked whether they had received enough from the Rye Beach Precinct for the work that they had done. Mr. McCarthy responded that they had received a check. *Editor's note: The issue of payment for the sidewalk work has been a matter of controversy recently, as the Precinct had not paid for either the work done in 2012, or the recently-completed work in 2013. After attention had been called to this issue, the fact that payment had been made was reported in the Portsmouth Herald.*

Beaches, Fund 12 (159:10 elapsed)

2013 Budget: \$15,685. 2014 Proposed: \$15,785. Recommended: \$15,785.

Mr. McCarthy had reported that the outhouses and ramps had deteriorated and needed to be rebuilt

or replacements purchased.

The motion to recommend the budget as presented carried unanimously.

(at this point, Public Works Director McCarthy, Police Chief Walsh and Fire Chief Sullivan all left)

Recreation, 4520-50 (elapsed)

2013 Budget: \$222,832. 2014 Proposed: \$240,326. Recommended: \$240,326.

Recreation Director Lee Arthur addressed the budget. The over 55 program is up significantly, however this does not increase the budget by much. Chairman Paul Goldman complimented Ms. Arthur on the quality of her narrative.

There was a fairly lengthy discussion regarding the vacation buyback line item. Ms. Gillespie reported that this had been in place for a number of years but had previously come out of the wage and salary line. Jim Maheras and Doug Abrams inquired about what appeared to be discrepancies between the wage and salary numbers and the vacation buyback figure. Ms. Gillespie stated that it is standard practice to include a vacation buyback line item if anyone in the department typically does this.

The motion to recommend the budget as presented carried unanimously.

Patriotic Purposes, 4583-52 (188:04 elapsed)

2013 Budget: \$7,600. 2014 Proposed: \$7,600. Recommended: \$7,600.

The motion to recommend the budget as presented carried unanimously with no discussion.

Recreation Revolving, Fund 9: Operating portion (188:56 elapsed)

2013 Budget: \$272,908. 2014 Proposed: \$233,197. Recommended: \$233,197.

Selectman Musselman noted that the capital outlay portion of this was being done separately. In response to a question from Ned Paul, Ms. Arthur agreed that the philosophy was to have the revolving account cover half of the expenditures.

The motion to recommend the non-capital portion of the budget as presented carried unanimously.

Recreation Revolving, Fund 9: Capital portion (191:18 elapsed)

2013 Budget: N/A. 2014 Proposed: \$20,000. Recommended: \$20,000.

Ms. Arthur stated that there have been a lot of questions about the community center. This is a needs assessment for that. The CIP Plan has contained some rough plans.

Chairman Paul Goldman stated that the CIP Plan should become more clear every year. Ms. Arthur stated that people had been hesitant initially to participate in the CIP Plan. Recreation tries to cover the capital costs out of the revolving fund. They are looking at two architects in connection with the proposed study: SMP and King from Boston. *Editor's note: SMP is currently doing the initial schematic design of the Town Hall.*

Doug Abrams stated that he personally would not support this as the access is dangerous. It's

putting the cart before the horse. People are jumping into the woods. The road needs widening. *Editor's note: Mr. Abrams is apparently referring to Recreation Rd., which leads to the Recreation Area, the site being discussed for the Community Center. According to visionappraisal.com, Mr. Abrams lives on Recreation Rd.* Selectman Musselman stated that this has been looked at. There is no solution to the safety issue.

Lee Arthur stated that this is a space needs study. The next step will be site selection. Mr. Abrams asked what the choices, other than the Recreation Area, would be. Ms. Arthur responded that the facility could be located at the schools, or the upstairs portion of Town Hall could lessen the space need. Also, the Goss Farm had been looked at in 2007 prior to its acquisition by the Conservation Commission.

Selectman Musselman stated that the road widening and sidewalks could be addressed. However, it is important to do this investigation while they are doing the Town Hall. Mr. Abrams asked whether the programs could be done at Town Hall. Selectman Musselman stated that some, but not all, could be.

Peggy Balboni questioned the amount for just a space needs study. Selectman Musselman responded that the space needs portion of the Town Hall cost a similar amount.

Jim Maheras questioned whether the work had already been done. Shawn Crapo stated that independence was needed. Ms. Arthur stated that there was an urgency, as Town Hall was moving forward.

Selectman Musselman stated that the Great Hall would be open for use with bathrooms. It would only be in use a small number of evenings per year and for voting. It would only be used for large meetings.

Chairman Paul Goldman stated that he is on the Town Hall Committee. He referred to the CIP Plan, the Facilities Master Plan, and consideration of Recreation and the Town Hall together, ultimately minimizing the cost. Personally he supports the reason for this.

Selectman Musselman stated that it may be premature to talk about a building at the Recreation Area.

Lee Arthur stated that there is no impact on the tax rate, but they need approval to spend the money.

The motion to recommend the \$20,000 capital expenditure carried 5-2, with Jim Maheras and Doug Abrams opposed, and Ned Paul, Craig Musselman, Paul Goldman, Peggy Balboni and Shawn Crapo in favor.

Sewer, Fund 2 (208:58 elapsed)

2013 Budget: \$239,193. 2014 Proposed: \$256,348. Recommended: \$256,348.

Ms. Arthur stated that the Hampton treatment portion is up 20 percent and that there are Portsmouth rate changes which will be passed along to the Adams Trailer Park. The entire budget is paid for by user fees, she said. Shawn Crapo asked how the proposed connection by Mr. LaBrie to the Portsmouth sewer would work. *Editor's note: Mike LaBrie and his company, Bluestone Properties, LLC is proposing a 287 seat restaurant at Foyes Corner which is currently before the Planning Board (see the notes of recent meetings). To provide for the restaurant, and presumably other businesses in the area, Mr. LaBrie is arranging for a connection to the Portsmouth sewer system via Sagamore Rd., to be paid for by private funds.* Ms. Arthur responded that, while the plans are preliminary, the plan is that Portsmouth would own the sewer and would bill directly.

The motion to recommend the budget as presented carried unanimously.

Building Inspector, 4240-18 (212:58 elapsed)

2013 Budget: \$141,528. 2014 Proposed: \$150,608. Recommended: \$150,608.

Building Inspector Peter Rowell addressed this budget. He stated that Joanne, Donna and Sue had gone through the history files and reorganized them. *Editor's note: This appears to be a reference to Joanne Drewniak of the Assessor's Office, Donna Decotis of the Town Clerk's office (who had been part-time until she became Deputy Town Clerk replacing Robin Baker), and Sue Dunfey of the Building Inspector's office.* Mr. Rowell spoke of the new flood maps that will consume more of his time.

Mr. Rowell stated that the budget request includes a new filing cabinet. That led to a discussion about records. Ms. Gillespie stated that filing cabinets, especially those that permit files to be stored in less room will be retained in the future Town Hall expansion. Ray Jarvis questioned whether the scanning of documents was the best solution. Mr. Rowell stated that documents that come in electronically are saved in that format. At times, documents are scanned. Mr. Rowell and Town Administrator Magnant spoke about the State law requirement that documents be microfilmed if they are required to be preserved for more than 10 years. Mr. Rowell stated that 99 percent of the documents that they have are public.

The motion to recommend the budget as presented carried unanimously.

Planning Board, 4191-11 (220:17 elapsed)

2013 Budget: \$116,586. 2014 Proposed: \$132,861. Recommended: \$132,861.

Planning and Zoning Administrator Kim Reed addressed this budget. Contracted services are up due to the number of meetings. Ms. Reed referred to the Master Plan and zoning changes.

Jim Maheras asked about the consulting fees. Ms. Reed stated that this was for Attorney Donovan, who helps them.

Ms. Reed stated that, as of last August she had been with the Town seven years and received a raise. For 2014, there will be a full year of impact. Selectman Musselman stated that the dues to the Rockingham Planning Commission are increasing

The motion to recommend the budget as presented carried unanimously.

Zoning Board of Adjustment, 4191-10 (224:39 elapsed)

2013 Budget: \$11,520. 2014 Proposed: \$12,270. Recommended: \$12,270.

Ms. Reed addressed this budget as well. The postage is up for both the ZBA and Planning Budgets due to return receipts being obtained when notices are sent to abutters.

The motion to recommend the budget as presented carried unanimously.

Heritage Commission, 4590-57 (226:23 elapsed)

2013 Budget: \$1,715. 2014 Proposed: \$4,353. Recommended: \$4,350.

Mae Bradshaw, Chairman of the Heritage Commission addressed this budget. She stated that the Heritage Commission is empowered pursuant to N.H. Rev. Stat. Ann. ("RSA") 674:44. *Editor's note:*

This should be RSA 674:44-a. Ms. Bradshaw stated that the statute itemizes their responsibilities. They are planning an inventory of cultural resources which will be labor intensive. They have done research for the Town Hall Space Needs Committee and are issuing the Louise Tallman award. Under the authorizing statutes, they are permitted to receive donations. There are costs of doing the minutes because it is too distracting for Member Sara Hall to do these.

Doug Abrams asked how the expenses were covered. Ms. Bradshaw referred to donations. Shawn Crapo asked whether donations could be spent without an appropriation. Ms. Bradshaw stated that they could. Selectman Musselman confirmed. Ms. Gillespie stated that there is only \$200 in unallocated donations. The rest are dedicated to Town Hall. Ms. Bradshaw disagreed.

Ms. Bradshaw stated that they are going for grants for the graveyard project, and would be eligible to receive moose plate money. Shawn Crapo asked what the mechanism would be for knowing how the funds are spent. Selectman Musselman stated that any acquisition would need to be a warrant article, although the appropriation could come from Heritage Commission funds.

Shawn Crapo suggested that e-mails be sent out until enough money has been raised to provide money to pay for postage for direct mail solicitation of donations. Selectman Musselman stated that he does not know that the Town has an e-mail list, although the Rye Civic League has one. Town Administrator Magnant stated that he did not know about a Town e-mail list.

Doug Abrams asked about the difference between the Heritage Commission and the Historic District Commission. Ms. Bradshaw responded that the Historic District Commission is regulatory while the Heritage Commission has a preservation role.

Shawn Crapo questioned this, citing the need for demolition permits. *Editor's note: The Demolition Review Committee is a subcommittee of the Heritage Commission.* Ms. Bradshaw responded that the Committee is sometimes referred to as the Demolition Delay Committee. If the applicant follows the prescribed steps, delays can only be for 45 days. Public input sometimes results in surprising changes. Several hearings involved Rye Beach, until it was decided that they had no jurisdiction. *Editor's note: The Rye Beach Village District has its own zoning ordinance.*

Ned Paul asked whether the Town would be paying to maintain graveyards. Ms. Bradshaw stated that there would be a graveyard adoption program. Before adoptions can occur, however, notices must be sent prior a determination that a graveyard has been abandoned. Mr. Paul asked whether the budget would need to grow in the future. Ms. Bradshaw responded that it should be stable.

Ray Jarvis commented that the Commission provides character and history to the Town. Paul Goldman agreed.

Selectman Musselman asked whether Ms. Bradshaw was certain that they could spend money without an appropriation. Ms. Gillespie confirmed that they could. Selectman Musselman asked whether real estate could be purchased without a warrant article. Ms. Bradshaw stated that it could be.

(Randy Crapo is observed on the video arriving at 12:40:05 p.m.)

Ms. Bradshaw then explained the Louise Tallman award.

Ms. Bradshaw referred to a \$3 reduction in the budget. Selectman Musselman noted that a mistake had been made previously on the Heritage Commission's budget, which he had reduced by \$3 to make it a round number. He acknowledged that had been a mistake as there were other budgets approved that day which were not round numbers. *Editor's note: See notes of October 30, 2013 Board of Selectmen meeting.*

The motion to recommend the budget as presented carried unanimously, except that Randy Crapo abstained, stating that he did not know what he was voting for.

(The audio was turned off at 12:43:10 p.m.(251:58 elapsed) but the video remained running during the lunch hour. It was turned back on at 1:33:01 p.m. (301:49 elapsed))

Selectman Musselman's comments about Heritage Commission's authority to acquire property (301:49 elapsed)

After the Committee reconvened following lunch, Selectman Musselman clarified that, for the Heritage Commission to acquire property, the approval of the governing body is also required, in this case the Board of Selectmen. *Editor's note: This is correct, see RSA 674:44, II.* Selectman Musselman continued, stating that he is fairly sure that the Selectmen could, if a significant property was to be acquired, condition their approval upon a positive vote on a warrant article.

(Selectman Musselman spoke after the meeting had been reconvened, with Members Musselman, Goldman, Maheras, Abrams, Jarvis, Shawn Crapo and Randy Crapo present. As he was speaking, Member Balboni arrived at 1:34:00 p.m. (302:48 elapsed). Ned Paul arrived during the presentation of the Conservation budget at 1:38:19 (307:07 elapsed))

Conservation, 4611-53 (303:30 elapsed)

2013 Budget: \$90,700. 2014 Proposed: \$90,000. Recommended: \$90,000

Conservation Commission Chairman Jim Raynes presented the budget. Selectman Musselman stated that the Selectmen had looked at the budget but had not yet approved it. He stated that a few changes had been made, working with Ms. Gillespie. These were explained line by line.

There is \$50,000 for land acquisition, which he will return to, he said. Mr. Raynes stated that they will be putting in for a \$3 million warrant article. If that goes through they probably will not use the \$50,000.

Mr. Raynes then discussed existing conservation areas that they are planning on opening up to the public. These included the White Horse bridle trail, Marden Woods and Seavey Acres. They are looking at the possibility of acquiring four parcels, 2-3 of which are quite large. Jim Raynes and Sally King then discussed how the \$5 million previously raised in 2002 had been leveraged with other funds.

(313:18 elapsed)

Doug Abrams asked whether Mr. Raynes was at liberty to discuss the properties that might be acquired. Mr. Raynes stated that he was not, and that there had been an embarrassing discussion at a recent Planning Board meeting. Sally King added that Rand Lumber was one of them.

Editor's note: At the November 12, 2013 Planning Board meeting, a member of the public had asked about an appraisal of the back portion of the former Rand Lumber property. The applicant refused to disclose the value assigned by the appraisal, but revealed that the Town had been given a right of first refusal. The applicant also indicated that Mr. Raynes had agreed to a value for the land that he felt comfortable taking to "his board." Representatives from the applicant were observed meeting in non-public session with the Conservation Commission on November 21, 2013, and from discussion in the public session afterwards, it appeared that the full Conservation Commission had agreed to proceed. See the notes of that meeting.

Doug Abrams suggested that the warrant article be for \$2.95 million rather than \$3 million. The total would still be \$3 million as there is \$50,000 in the budget.

The motion to recommend the budget as presented carried unanimously.

Library, 4550-58 (322:40 elapsed)

2013 Budget: \$606,883. 2014 Proposed: \$621,462. Recommended: \$621,462.

Editor's note: Victor Azzi, Ann Malpass, Brian Klinger, Karen Oliver and Phil Boynton, constituting all of the Library Trustees, were present, as was Library Director Andy Richmond.

Brian Klinger addressed the budget. He explained that he had returned as a Library Trustee after having been a Trustee in 2000. He is the Trustee Treasurer. They are planning a \$4800 reduction from the prior year in non-wage related expenses. Since 2009, these costs have been reduced by 16 percent. One employee is going back to school to get a Masters degree and receives a raise in the plan. The other wages are flat, however a COLA pool will be added to the budget later. *Editor's note: "COLA" stands for cost of living adjustment.* They have no control of health insurance costs.

Selectman Musselman stated that he had been mistaken earlier about the budget. The Library had held the bottom line absolutely flat for three years. In penance he will stop talking about the budget. *Editor's note: See notes of Board of Selectmen October 30, 2013 all-day budget session. Selectman Musselman had argued that the Rye Library costs were high relative to others in the State, and that the Library had reneged on its agreement with the Selectmen by holding the budget flat for one year less than had been agreed.*

Paul Goldman noted that the Library had done a good job of managing its expenses. Early on, they were not necessarily sharing information. However, that has completely changed. He complimented the Library on its excellent strategic plan.

The motion to recommend the budget as presented carried unanimously.

Cemetery, 4195-25 (333:55 elapsed)

2013 Budget: \$93,493. 2014 Proposed: \$100,495. Recommended: \$100,495.

Ms. Gillespie stated that a major reason for the increase was health insurance. There is also \$2000 for a summer helper.

The motion to recommend the budget as presented carried unanimously.

Town Clerk/Registrations, 4140-13 (336:38 elapsed)

2013 Budget: \$16,700. 2014 Proposed: \$17,900. Recommended: \$17,900.

Town Clerk Beth Yeaton addressed this budget. Everything is the same except two items. These are the coding for the ballot and printing of the ballots. They must be prepared for a large ballot. Doug Abrams stated that people that are submitting warrant articles are costing the Town money. Ms. Yeaton stated that in 2013 they had to pay twice for dog tags as the paperwork had been lost.

The motion to recommend the budget as presented carried unanimously.

Tax Collector, 4150-14 (340:37 elapsed)

2013 Budget: \$209,584. 2014 Proposed: \$224,435. Recommended: \$224,435.

Ms. Yeaton stated that most of the changes are due to health care and retirement. The Assistant Town Clerk/Tax Collector has been budgeted for 24-25 hours per week. This is a new person, so 25 days have been added in 2014 for training. Boat registrations are a new activity.

Ms. Yeaton explained that there are three employees, one of which is part-time. She has presented the figures to the Board of Selectmen to make the third person full-time. They had not wanted to vote on this the prior evening. If the Selectmen approve, she will return to the Budget Committee to obtain approval of the higher budget. There was then a discussion about whether the Budget Committee could review the increased request now. Mr. Magnant stated that they were permitted to do that. There was then discussion about the large increase in costs from changing the employee to full-time status, and ways to avoid that.

Ray Jarvis expressed concern about another 17 percent increase in health care costs in 2015. He stated that in private industry, when possible they create two part-time positions. Ms. Yeaton objected, stating that the Town Clerk's office is highly specialized. There are only 200 clerks in the state. They are vulnerable to a part-time employee leaving. The Assistant is a Town resident, but does not have to be.

Shawn Crapo stated that the issue is more personal because the Town is small and the focus is necessarily on one individual. He suggested that the Board of Selectmen should make the decision.

The motion to recommend the budget as presented carried unanimously. Mr. Goldman indicated that the issue may be revisited after the Board of Selectmen make a decision.

Elections, 4140-03 (362:27 elapsed)

2013 Budget: \$6,595. 2014 Proposed: \$8,275. Recommended: \$8,275.

Ms. Yeaton stated that there will be three elections rather than one in 2014, accounting for the increase. These are the Town, State primary and State general elections, she said.

The motion to recommend the budget as presented carried unanimously.

Executive Office, 4130-01 (364:35 elapsed)

2013 Budget: \$192,999. 2014 Proposed: \$205,124. Recommended: \$205,124.

Mr. Magnant stated that the increase is due to 53 weeks and increases in health care and contracted services for Dyana. *Editor's note: Dyana Ledger is Cyndi Gillespie's sister and does many of the meeting minutes for various Town boards and commissions.* Ms. Gillespie stated that it was more than just the increase in the rate. There were more committees that have been set up, including the Town Hall and Beach Use committees. In response to a question from Shawn Crapo, Ms. Gillespie stated that the ZBA minutes are charged to that committee and are not part of this budget.

The motion to recommend the budget as presented carried unanimously.

Assessing, 4150-20 (367:50 elapsed)

2013 Budget: \$161,012. 2014 Proposed: \$156,063. Recommended: \$156,063.

Mr. Magnant stated that the new assessor is less costly than the old one. *Editor's note: Norm LeBlond left and was replaced by David Hynes during 2013. Both individuals are contract assessors.* In

addition, there are no mandated revaluations.

The motion to recommend the budget as presented carried unanimously.

Finance, 4150-21 (370:10 elapsed)

2013 Budget: \$172,283. 2014 Proposed: \$206,573. Recommended: \$206,573.

Ms. Gillespie stated that a new sheet had been provided as the Selectmen had agreed to an increase the prior evening. She explained that she had received authorization for a part-time employee at 25 hours per week. This adds \$26,000 to the budget.

Paul Goldman commented on the excellent job that Ms. Gillespie is doing. He stated that she has a lot to offer from the standpoint of capital improvement planning, the facilities master plan and how it ties together.

The motion to recommend the budget as presented carried unanimously.

Legal, 4153-04 (376:20 elapsed)

2013 Budget: \$100,000. 2014 Proposed: \$100,000. Recommended: \$100,000.

The motion to recommend the budget as presented carried unanimously.

Town Custodian, 4194-02 (377:52 elapsed)

2013 Budget: \$18,259. 2014 Proposed: \$20,404. Recommended: \$20,404.

Ms. Gillespie stated that the custodian does works at the Town Hall and the Public Safety Building. The hours are being increased to 25 hours vs. 20 hours last year.

The motion to recommend the budget as presented carried unanimously.

Town Hall, 4194-07 (380:15 elapsed)

2013 Budget: \$17,670. 2014 Proposed: \$16,670. Recommended: \$16,670.

Ms. Gillespie called attention to the reduction in the heating line due to the geothermal system. More of an increase in electricity use was anticipated, but it did not materialize. Mr. Magnant stated that they are going in with Greenland and the SAU and are working on an agreement with a competitor to PSNH.

The motion to recommend the budget as presented carried unanimously.

Insurance, 4196-12 (383:00 elapsed)

2013 Budget: \$202,216. 2014 Proposed: \$268,411. Recommended: \$268,411.

Town Administrator Magnant stated that employee medical reimbursements had been budgeted for \$90,000, which was not enough. Thus, \$120,000 is being proposed for this year. Nevertheless, there is still a \$63,000 savings. The out of pocket for the employees has been increased to \$2500, however the

Town is paying this. Ms. Gillespie, in response to a question, indicated that the employees still pay the first \$100, or \$200 on a family policy. Mr. Magnant added that the employees also pay 20 percent of the overall premium.

Ray Jarvis asked why the Town was paying the first \$2500. Mr. Magnant responded that it was a benefit to both the Town and the employees. The employees would not have agreed to this unless the Town reimbursed them for the higher deductible. Selectman Musselman stated that most municipalities cannot get their unions to even talk about this. Mr. Magnant added that he understands what is going on in the private sector, but municipalities are different. Twenty percent is on the high side for most cities and towns.

Ray Jarvis stated that this was not sustainable. He is all for unions, but Detroit was shut down due to union demands. Mr. Magnant stated that they are entering a round of collective bargaining negotiations. He is sure that he will receive guidelines from the Board of Selectmen. Ned Paul noted how quickly the cost was doubling.

Doug Abrams asked a question about a pie chart. After discussion, it appears that \$120,000 is the employee benefit outlined above, \$89,000 to \$90,000 is liability insurance for the trucks, cruisers and the like, and the remainder is for items such as unemployment tax and workmen's compensation.

The motion to recommend the budget as presented carried unanimously.

Regional Agencies, 4197-22 (393:51 elapsed)

2013 Budget: \$49,194. 2014 Proposed: \$50,701. Recommended: \$50,701.

There was discussion about the organizations that the Town is funding. Ms. Gillespie stated that adding to the list of charities requires a warrant article, but then the funding becomes an annual contribution. There was then discussion about how requests for increases were dealt with.

The motion to recommend the budget as presented carried unanimously.

General Government, 4199-26 (399:30 elapsed)

2013 Budget: \$64,000. 2014 Proposed: \$93,000. Recommended: \$93,000.

Ms. Gillespie stated that \$30,000 of the increase is for records retention issues. *Editor's note: In 2013, Warrant Article 8, providing \$25,000 for improvements to the Town's records retention system, passed 662-431. This is apparently planned to continue at a somewhat increased level and is being moved into the budget.* Ms. Gillespie continued, stating that they will start with the records at the Public Safety Building, and then work on starting to microfilm records at the Town Hall. They need to purge records and get ready for the addition to the Town Hall. The staff are excited about the progress made, however it will take four years to complete the work.

Jim Maheras asked what happened to the warrant article. He asked whether that wasn't that supposed to pay for the computerization and scanning. Shawn Crapo asked why microfilming was being considered, and questioned whether microfilm readers would still be available in 30 years. Mr. Maheras suggested that the money provided to Recreation for their space needs study be redirected to this purpose. *Editor's note: The Committee had voted to recommend \$20,000 for this purpose earlier in the meeting. See these notes.* Ned Paul stated that \$200 per sq. ft. will be spent to fix this building. Constructing storage space that is not needed at \$200 per sq. ft. would be a waste of money, he said.

Doug Abrams stated that all of the departments seem to think that a 4.5 percent increase is

acceptable and all feel that their proposals are necessities. Ray Jarvis stated that the funds were a necessity to straighten out the mess.

Peter Crawford, speaking from the audience, stated that the warrant article by which the first architect was hired was amended at the Deliberative Session to mention electronic records. The town is paying attention to this issue, he said. In addition, he personally counted items at the Town Hall and came up with over 3000 cubic feet of items that require storage. If one assumes 6 foot high filing cabinets with spaces between them, that works out to about 1000 sq. ft. just for storage. This will pay for itself, Mr. Crawford said.

Paul Goldman stated that the both the Recreation study and the records storage work both be funded. We were already on those paths in accordance with previous discussions, warrant articles and agreements. He stated that he agreed with Ray and Peter. It's a big issue and it calls for a vision, a strategy and an implementation plan to get it under control.

The motion to recommend the budget as presented carried 8-1, Randy Crapo, Shawn Crapo, Peggy Balboni, Ray Jarvis, Jim Maheras, Paul Goldman, Craig Musselman and Ned Paul voting yes and Doug Abrams voting no.

Health Officer, 4411-37 (422:25 elapsed)

2013 Budget: \$5,220. 2014 Proposed: \$5,195. Recommended: \$5,195.

The motion to recommend the budget as presented carried unanimously.

Direct Assistance, 4442-44 (423:27 elapsed)

2013 Budget: \$35,000. 2014 Proposed: \$50,000. Recommended: \$50,000.

Mr. Magnant stated that it was always a struggle to project this. During 2013 there was a significant expense with an individual who had cancer and had lost his job and his health care. Ms. Gillespie noted that they have taken liens on some properties in cases where the Town is paying the mortgage.

The motion to recommend the budget as presented carried unanimously.

Historic District Commission, 4589-54 (424:59 elapsed)

2013 Budget: \$650. 2014 Proposed: \$700. Recommended: \$700.

Ned Paul asked whether the line items could be combined with the Heritage Commission. The response was that the two are completely separate.

The motion to recommend the budget as presented carried unanimously.

Debt Service, (426:30 elapsed)

| | | <u>2013 Budget</u> | <u>2014 Proposed</u> | <u>Recommended</u> |
|-----------|---------|--------------------|----------------------|--------------------|
| Principal | 4711-67 | \$901,293 | \$896,062 | \$896,062 |
| Interest | 4721-67 | \$133,399 | \$92,463 | \$92,463 |
| TANS | 4723-67 | <u>\$5,000</u> | <u>\$5,000</u> | <u>\$5,000</u> |

| | | | |
|-------|-------------|-----------|-----------|
| Total | \$1,039,692 | \$993,525 | \$993,525 |
|-------|-------------|-----------|-----------|

Ms. Gillespie noted that there is one payment left on the Public Safety Building and one payment left on the Library addition. The rest is all conservation debt. All will be paid by 2020. The maximum debt that the Town is allowed is \$53 million, the current debt outstanding is \$2 million.

Randy Crapo raised the issue of how much land was taken off of the property tax rolls by Conservation purchases. Selectman Musselman stated that a lot of it was taxed at low values, at current use rates or as wetlands. *Editor's note: current use generally applies to land which is open space. It is taxed at a much lower rate.* Shawn Crapo asserted that the Town was not getting the junk, rather it was getting buildable land. Ray Jarvis asserted that it is more complicated than that. Open spaces and clean streams and wildlife cause property values to go up, he said.

Selectman Musselman stated that the annual drop in the debt service would be huge.

Doug Abrams noted the major investments that may soon occur, including the Town Hall for \$3 million, another \$3 million for Conservation and another potential project for \$6 million. Selectman Musselman added Recreation to that list. Mr. Abrams asserted that that would not proceed.

Jim Maheras asked whether they should not know what the \$3 million was going to buy. Doug Abrams stated that the funding needs to be there first so that they have the money to buy the land. Doug Abrams and Ray Jarvis then gave examples of the impact on the tax rate of a hypothetical \$2 million purchase.

Selectman Musselman asked whether they should vote to pay the debt service that is due this year. The motion to recommend the \$993,525 budget as presented carried unanimously.

Revenues (437:29 elapsed)

Mr. Goldman stated that the Committee had an extreme level of interest in the CIP Plan and suggested that Ray Jarvis present this.

Ms. Gillespie stated that the revenues are down somewhat in 2013 relative to the prior year. However, a lot of vehicle registrations are expected at the end of the year, so there should be a bump in revenues from that.

The group then digressed into a discussion of whether the debt limit applied to Rye Water District debt (it does not), and how the Rye Water District taxes those who have water mains that pass their homes and also bills water customers.

Summary by Chairman Goldman (441:08 elapsed)

Mr. Goldman summarized the results of the day's meeting. The only reduction made was the \$3000 for the paramedic training. *Editor's note: See the discussion on the Ambulance budget.* The next meeting will deal with a potential change to the Town Clerk's budget, warrant articles, and capital outlays. Ms. Gillespie stated that the Committee has already been given all of the capital outlay items that she has received.

The School Budget Session will be on Wednesday, December 11. The next day will be the further Town Budget Session. There are more after that, all of the way through the municipal elections.

Capital Improvement Plan ("CIP") presentation by Ray Jarvis (444:10 elapsed)

Ray Jarvis spoke about the five major bond issues: Conservation, Recreation, Town Hall and a

couple of Water Precinct items, a water treatment plant and the Route 1A pipes. He explained how a \$17,500 expenditure would result in an increase in the tax rate of \$.01.

Mr. Goldman stated that the process had continued to evolve in a high quality way and it is an excellent document.

Public comments (453:18 elapsed)

Peter Crawford, following up on the comments by Mr. Jarvis on the CIP Plan, stated that there was a total of \$19 million in projects in that plan. The effect on the tax rate is \$.64 in 2013 and \$1.46 in 2017, as stated in the CIP Plan. Mr. Crawford and Mr. Jarvis based this on a table in the CIP Plan. Mr. Crawford stated that his rough estimate is that the maturing bonds will reduce taxes by approximately \$.60, leaving a net increase in the tax rate of \$.86 if all projects go forward as planned.

Paul Goldman noted that the chart is an output, is based on need, and will be reviewed each year and judgment applied. Selectman Musselman disagreed that the chart was based on need. Rather, he acknowledged that it is based on a wish list.

A discussion ensued as to whether all of the projects would go forward. Selectman Musselman stated that the Town has hundreds of years of history as being cheap, and that the citizens could rest assured that the Town would continue to make decisions on an expenditure by expenditure basis and would continue to be cheap. In addition, the Town has one of the lowest tax rates in Rockingham County and the State, he said.

Mr. Crawford responded that in fact that Rye and New Castle had among the highest tax rates per person of approximately \$3500. Exeter, on the other hand, has a much higher tax rate but a significantly lower tax rate per person because of a much lower property value per person. Mr. Crawford stated that, while in some ways the Town is cheap, it can also be penny wise and pound foolish. Selectman Musselman agreed.

Mr. Crawford praised Ray Jarvis and Ned Paul for doing a great job.

Adjournment (463:07 elapsed)

Whereupon the meeting adjourned at 9:99 p.m.