

**TOWN OF BEDFORD
TOWN COUNCIL MEETING MINUTES
August 14, 2019
BEDFORD MEETING ROOM
10 MEETINGHOUSE ROAD**

1. ROLL CALL: A meeting of the Bedford Town Council was held on Wednesday, August 14, 2019 at the Bedford Meeting Room, 10 Meetinghouse Rd. Present were Bill Duschatko (Chair), Melissa Stevens (Vice Chair) and Councilors Denise Ricciardi, Phil Greazzo, Dave Gilbert, and Catherine Rombeau. Also present was Town Manager Rick Sawyer. Councilor Chris Bandazian was on vacation.

Chairman Duschatko opened the meeting at 7:00 PM.

2. PLEDGE OF ALLEGIANCE – Led by Councilor Rombeau.

3. PUBLIC COMMENTS –

Richard Moore, 27 Bedford Center Road, read a statement regarding the Stevens-Buswell Community Center discussion at the previous Town Council meeting.

First, I wanted to make a point of clarification. There was some discussion as to whether or not the slowdown in contributions to the project was due to the lack of a lease or the presumed lack of a 501c3 status. The lack of a lease was definitely a major contributing factor. The lack of this forum of support for the project from the Town had a negative effect on some donors as well as a discouragement of the team who seeks the donations. In April of 2017, the Historical Society submitted a proposed amendment to the lease drafted by our attorneys that would allow for the operation of Stevens-Buswell as a community center rather than the lease designed primarily for the restoration of the building. The response was that the Town wanted to put it on hold pending the outcome of the Town's facility study. One scenario being considered, for example, involved the Town teaming up with the Historical Society. We stand ready now to go after solicitation of donations with enthusiasm once the long-term lease is given. Now is the time to do this while the economy is good. We can't afford to wait. As far as the presumed lack of a 501c3 status, the Bedford Historical Society is a 501c3 non-profit organization in good standing with the IRS and the State of New Hampshire. That is definitely not a problem. The second observation regarding the discussion that I made is that there was concern expressed about the appearance of the outside of the building, specifically peeling paint. I think it is important not to blame the Historical Society for this. Rather, this further points out the need for a lease. The lease would provide both the ability for us to raise funds some of which could go towards the improvement of the external appearance of the building. The lease is a good mechanism to make clear who is responsible for what. In this case, making it clear as to whether the lease lessee, the Historical Society, is responsible or whether the owner, the Town, is responsible. Without a lease, this is an open question. A third question that arose from the discussion seems to be whether or not we can raise enough funds in two years to open the main floor of the building to the public. This requires going at a faster pace than we have been going in the past few years, but there have been obstacles for us to overcome. We lost half of the two person team who spearheaded the effort when Joan Shaw Reeves died of cancer. A second obstacle being that the lease was not renewed. Susan Tufts-Moore has continued her considerable

efforts and overcoming the loss of Joan, Beverly Thomas has stepped in and regenerated enthusiasm for the project. As far as the lack of a lease, that remains in your hands to remedy. A lot of effort has gone into establishing Stevens-Buswell as a community center. Three quarters of the effort and funds raised so far have gone beyond just saving the building and have gone towards physically preparing Stevens-Buswell as a community center. I ask you to please establish a long-term lease between the Town and the Historical Society.

4. Meeting update with the Finance Director

Tammy Penny, Finance Director, stated that her appointment to Finance Director and Tax Collector was approved by the Council in late January. She enjoys the job and feels fortunate to have the support of the Town Manager, Department Heads, and a very dedicated Finance team. They have been going through a period of change in Finance. They hired an accountant in April to fill her prior position. Also in April, the Fund Accountant left to pursue an opportunity in a neighboring community. The HR Director was hired in April and the HR and Welfare functions separated from Finance. She promoted the A/P Finance Clerk to Fund Accountant and have recently promoted a window clerk to A/P Finance Clerk. They have a new and experienced window clerk scheduled to start in a couple of weeks.

Ms. Penny updated the Council regarding the Town's student parking passes. Someone was in line at 4:40am. At 7:30am, the whole lot was full including the Marconi Museum. There was a crowd of people that extended beyond the Town Manager's office. Of the 186 Town spots available for sale, 171 of them were reserved for those who applied for a pass through the high school and didn't receive one. That only left 15 for those that didn't apply through the school. By 8:20am, the preferred lot of Riley Field sold out. By 9:10am, all 15 spots available for non-lottery participants were sold out. The line finally dissipated by 9:45am. They sold 147 spots and have 15 on the wait list. Mr. Sawyer thought that something was different on social media, because the last two years they've had no line, no one coming in before 8am to line up. If they had gone through the high school program, their spot was reserved and they didn't have to be there early to get it. He's not sure why all of those people came except that maybe they wanted to get into Riley Field, because that's the preferred lot. If anyone had come at 10am, they still could have been in the Little League parking lot. There really was no specific need to be lined up early, unless you wanted Riley Field or trying to get one of the 15 spaces because they didn't do what the Town asked them to do, which was to go through the high school lottery. The Town will review the process with the school superintendent and high school principal after school starts to see how they can do things differently going forward. He pointed out that the extra 15 spaces to be sold was unusual. There are a lot more students with cars than they've ever had. Three years ago when they first started this, they didn't sell out of spaces until Halloween and last year they didn't sell out until October 1st. To be sold out in August, there is clearly something that has changed in the number of cars that students have or there are more students that are 16 in the current classes.

Ms. Penny mentioned that quarterly financial reports were available and on the website. She anticipates ending 2019 with surplus motor vehicle revenues again. Investment

income was running at 107% of budget and she's conservatively anticipating surplus investment revenues of about \$200k. She has spoken with the financial advisor about bond sales and rates and will have more information about that later.

5. NEW BUSINESS

a. Presentation of the Comprehensive Annual Financial Report

Ms. Penny stated that the auditor, Melanson Heath, has completed the annual financial audit of the Town's statements for 2018 and has issued a clean opinion. The auditor's reports are found on page 13-15. The Town is in great shape and continues to reflect a strong financial position. She talked about the management discussion and analysis section that begins on page 18 and focused on the condensed statement of net position. On page 67, there was an explanation of the beginning year restatement that was necessary to apply the statement. The beginning of the balance had to be updated and was changed by \$2.5m. Had that not occurred, the Town's unrestricted net position would have been over \$2m. You can go to page 94 to check her calculations. She talked about unassigned fund balance. The General Fund increased unassigned fund balance by \$2m to \$16.8m during 2018, which is 19.23% of the 2018 Town gross appropriations. The increase was attributable to a variety of factors including excess motor vehicle revenues, excess ambulance revenues, excess investment income, and surplus public safety appropriations mostly from unspent payroll appropriations. The Town's fund balance policy requires the unassigned fund balance range to be between 8 and 17 percent. It also states that should the unassigned fund balance exceed 17%, the Town consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expense outlays. The recommendation is that the Council consider the use of additional fund balance during the 2019 tax rate setting as well as using it to reduce the tax rate during the 2020 budget process.

Mr. Sawyer stated that the use of the \$1m that is budgeted for this year would still keep them over the 17% threshold that's in the policy and gets them to 18.6%. They can further reduce the tax rate later in the year when they have that conversation. The Town has never been in a position that they've exceeded the fund balance policy where they are able to do this. They exceeded it last year, they just didn't know it at the time. The text was there, but the numbers didn't reflect it. He thought it was time to look at the fund balance policy, because what the policy says you can use the fund balance for doesn't jive with what they've been using it for the last couple of years, which is to reduce the operating cost impacts to the tax rate. The police doesn't say to use it to reduce the tax rate, it says to use it for one time expenditures for non-reoccurring things that don't require any maintenance or additional staffing. He didn't know what they could buy or spend money on that doesn't require some ongoing maintenance. That is something he'll talk to Council leadership about for a future agenda item for conversation.

Councilor Rombeau wanted to know if one of the factors contributing to the increase in the unassigned fund balance was more of a contributor over another. Ms. Penny stated

that motor vehicle exceeded the budget by \$555k, which is pretty significant. Mr. Sawyer added that this was after each of the last four years increasing the amount of anticipated revenues in motor vehicles. There are more vehicles registered in Town than there are people.

Councilor Duschatko wanted to know if there were any large commercial users like a rental car fleet. Ms. Penny stated that they do have rental companies. Mr. Sawyer added that they do have some businesses that have multiple vehicles.

Councilor Greazzo wanted to know if the Town had any advantage over other towns or was it all the same rate and Bedford just happens to have more vehicles. Mr. Sawyer stated that they are all the same rates. Ms. Penny stated that people are buying new cars. Mr. Sawyer stated that the cars are worth more.

Councilor Stevens mentioned the \$1m being used to offset the tax rate and wanted to know how much more they have such as another \$1m. Ms. Penny stated that based on last year's valuation, \$1.3m brings them down to 17%, but she hasn't considered the surplus revenue. There are a lot of moving parts in that calculation. Mr. Sawyer stated that \$1.3m at the end of 2018 not including the \$1m to be spent, so it was \$2.3m at the end of 2018. That's not including any projected surplus revenues from 2019 that would also be hitting the fund balance. They already know that they are exceeding motor vehicles again, exceeding investment income and increasing on Transfer Station and ambulance revenue. There is a summary chart in the staff report that Tammy provided of the fund balance and how it grew. It bolsters the Town's Aaa bond rating that they will have to be revisiting to sell the 3rd road bond that's already authorized in 2020 and any additional bonding the Council may decide they should do. It also means they may not need to bond as much. They could use fund balance to pay for certain improvements they are considering. Councilor Greazzo wanted to know if they would require maintenance and Mr. Sawyer stated they would. That's why he would love the Council to revisit their policy language before they go too far down that road.

Councilor Stevens wanted to know if they still had time to make that policy change and offset the tax rate and Mr. Sawyer stated yes.

b. Other New Business – None.

6. OLD BUSINESS

a. Other Old Business – None.

7. APPROVAL OF MINUTES

b. Public Session – July 17, 2019

MOTION by Councilor Gilbert that the Bedford Town Council approve the minutes of the July 17, 2019 Public Session. Seconded by Councilor Stevens. Vote taken – Motion Passed – 6-0.

c. Non-Public Session – July 17, 2019

Councilor Stevens wanted to know if they needed to amend those minutes. Chairman Duschatko responded that he believed they do.

MOTION by Councilor Stevens to amend the minutes for the Non-Public session from July 17, 2019 to read, ‘The Council agreed to form an administrative subcommittee to develop options’.

Councilor Rombeau wanted to know if they also needed to amend them to reflect Denise as a member of that or was that something that they did subsequently, because the minutes just say Melissa and Catherine as the subcommittee. Councilor Stevens stated that was correct. Councilor Stevens added to her amendment:

‘to also add Denise Ricciardi’s name as a member of the subcommittee.’

Mr. Sawyer clarified amending the motion to make an administrative subcommittee, that the only way they could do that is if it’s an administrative subcommittee to assist the Town Manager or other staff and he thought that was the intent of what was said. The intent was to provide some Councilors to work with the Town Manager to be able to move forward versus having a standing subcommittee of the Council. Chairman Duschatko and Councilor Stevens agreed that was correct.

Seconded by Councilor Rombeau – Vote taken – Motion Passed –6-0.

d. Special Town Council Meeting – July 25, 2019

MOTION by Councilor Gilbert that the Bedford Town Council approve the minutes of the July 25, 2019 Special Town Council Meeting. Seconded by Councilor Rombeau. Vote taken – Motion Passed – 5-0-1 (Greazzo abstained as he wasn’t present).

8. TOWN MANAGER REPORT

- 1) DWI arrests are up 100% over last year at this time and we have already reached our total for the past year. I can’t stress enough for the need to use designated drivers, taxis, Uber, Lyft, or phone a friend rather than getting behind the wheel after having had anything to drink.
- 2) The Library Summer Reading Program has had another great year with 870 children, 50 teens, and 200 adults participating and recently held a touch-a-truck

event which was very well attended. Thanks go out to our Library, DPW, Police, and Fire Department personnel for their efforts for this event.

- 3) Our Children’s Librarian, Grace Laroche has announced her resignation and has accepted a position with the Springfield Massachusetts Library where she will relocating.
- 4) Work Continues on Liberty Hill Road and Phase 2 is nearing completion. We have been considering the potential impacts of possible future waterlines in the Liberty Hill Road area as a result of the new PFAS standards to determine if we should delay Phase 3 of the project.
- 5) August 21st – “Hickory Horned Devils” Concert in the Park, 6 PM at the Bedford Village Common.

9. COUNCILOR COMMENTS AND COMMITTEE UPDATES

10. NON-PUBLIC – RSA 91-A:3 (if necessary)

11. ADJOURNMENT

MOTION by Councilor Gilbert to adjourn. Seconded by Councilor Stevens. Vote taken – Motion Passed – 6-0.

The public meeting ended at 7:35 PM.

Respectfully submitted,

Dawn Boufford