

**TOWN OF NEW LONDON
BUDGET COMMITTEE
SEPTEMBER 15, 2008**

PRESENT: John Wilson (Chairman), Connie Appel, Doug Baxter, Ann Bedard, Noel Weinstein, Bob Meck, Celeste Cook, Jim Wheeler, Jessie Levine (Town Administrator), Carol Fraley (Finance Officer), Brian Prescott (Selectman *ex officio*), Mark Kaplan (Selectman).

ALSO: Richard Lee (Public Works Dept.), Chad Denning (Recreation Dept.), David Seastrand (Police Dept.), Sandra Licks (Tracy Library), Hardy Hasenfuss & Chuck Curtis (COA), Jason Lyon (Fire Dept.).

John Wilson called the meeting to order at 7 p.m.

Minutes – May 14, 2008

John Wilson referred to paragraph five on page four—the discussion about the subcommittees, and said that his recollection is that the Board of Selectmen, in speaking with department heads, learned that they (department heads) did not like the subcommittee arrangement. Jessie Levine said that is not correct, and members agreed to leave this paragraph in the minutes as drafted.

John Wilson referred to paragraph two on page five, and asked if the new process for conducting large transactions (such as the Schultz land purchase) has been memorialized as suggested in this paragraph. The Selectmen present at this meeting assured the Budget Committee that new procedures are well understood by all parties and documented in meeting minutes of the Conservation Commission and Selectmen.

John Wilson read into the record a letter dated September 10 from Nancy Friese of COA, clarifying comments by Noel Weinstein as they appear on page six, paragraph four in the minutes. She said that COA held a successful building campaign for purchase of its new building, and has no mortgage. The letter also states that COA's services have doubled in one year. At this meeting, Noel Weinstein clarified that what he meant to say at the May 14 meeting, was that "he had a sense that ... , or he felt that ... the Town was paying for the new building (because of the increase in COA's request to the Town)." Bob Meck said he recalled that the increase in COA's request was for operating and maintenance costs.

Hearing no further questions or discussion, Doug Baxter moved to accept the minutes as drafted. Mark Kaplan seconded. The motion was approved unanimously.

Department Tours

John Wilson commented on the poor attendance at tours by Budget Committee members. He said these qualified as meetings, and their purpose was to familiarize the Budget Committee with the operations, equipment and facility needs of the departments. They were to be informational meetings, not meetings at which decisions would be made.

John Wilson referred to RSA 32:15 that allows the Budget Committee Chairman to replace an elected member of the Budget Committee after that member has missed four consecutive meetings for which reasonable notice (for the meetings) had been given.

At this point, he instituted a new procedure, that is, when a member cannot make a noticed meeting, that member must provide a written excuse to the Chairman, with copy to the Town Administrator.

Regarding the tours, Doug Baxter reminded the Committee that they never really did talk about times for these, and he suggested that they start after Labor Day in the future. Connie Appel added that for many who work, early morning tours would be better.

Bob Meck made two points: (1) He reminded everyone that any new (or old) member can avail him/herself of department heads' willingness to give tours of the departments. If two or three or some subgroup of the Budget Committee wishes to go together, they could contact the department head in advance. (2) Or, he pointed out, the Budget Committee could return to the subcommittee format, and trust in the subcommittees to bring back the necessary data.

David Seastrand said he has no problem with people visiting his department, but would be hard pressed to give a tour on a moment's notice. He said he does like the subcommittee format, feeling that they were able to spend the time to ask more in-depth questions—as long as the questions do not become redundant. Jason Lyon said his department would also welcome visitors, and he, too, liked the subcommittee format. He agreed that there is the potential for the same questions to be asked many times. In some ways, that is fine, it allows them to sharpen their skills in answering those questions, though he acknowledged it is difficult to hash over the same things again and again.

Chad Denning said if the purpose of the tours is to meet staff, it would be better to tour Recreation before Labor Day. Noel Weinstein asked if, except for the Recreation Department, would fall tours be okay with everyone. Richard Lee said that would be okay with him. He said he liked the subcommittee format. It seemed that they got into the budget more. Noel Weinstein pointed out that by fall, department heads would know more about how their budgets are looking this year, and what they will need for next year.

John Wilson said one benefit to the tours is that can be real eye openers—for example, the Whipple basement, and the library. He said you have got to get a feel for the problems there before you can talk about the dollars.

Membership

John Wilson announced that Jack Diemar had resigned from the Budget Committee and asked for nominations to fill his position. After some discussion and review of the poll results from March, Jim Wheeler moved that John Wilson ask Barry Wright if he will fill the position, and if Barry Wright declines, Kathy Bianchi be asked. Members noted that this will be a one-year appointed position (to fill the balance of Jack Diemar's term). If the new member wishes to continue, he or she can run for election to the full term in March. Brian Prescott seconded the motion. No further discussion. Motion unanimously approved.

Recreation Department Tour

Celeste Cook said she was impressed with the work done at the beaches, and with everything that is available at Bucklin Beach. She agreed that the beach house there does need some improvement, with additional storage space. She also was impressed that the Recreation Department is able to use available storage at Frothingham Road. The Elkins Beach also needs more storage. Connie Appel said she was surprised at how close the septic system holding tank is to the water at Bucklin.

Chad Denning said that Bucklin sees twice the number of users as Elkins, but he will be putting some kayaks at Elkins next year which may tend to balance that out a bit. He added that all the drainage improvements at Elkins this summer have worked wonderfully in preventing run off and erosion of the beach. He said the parking situation has to be rectified there.

John Wilson said that may be among the recommendations to come out of the Elkins charette. He noted, however, that the moderator of the charette seemed to indicate that things like traffic flow and parking are among the simpler problems to resolve. Noel Weinstein reminded everyone that at the first Elkins charette held some years ago, many residents wanted no changes.

Tracy Library Tour

Noel Weinstein said this was a great tour, and from it, he got a real feel for the structural, particularly drainage, problems that exist with the building.

Bob Meck said he feels the Town needs a professional person to advise on the merits of continuing to spend money to keep this building up—even though it was a gift in the first place. Jessie Levine said a new library would cost millions. Mark Kaplan said the Town has this wonderful historic building. He acknowledged that it is costly to keep it up but he feels that it is worth it.

John Wilson said it could take a million to get this building into shape. He questioned why some of the existing problems were not taken care of while recent work was done. For example, he suggested that the leaking and poorly insulated window wall in the back of the building should have been removed when the new roof was put on there. He said things like that point to the need for a more integrated approach in renovating this building. He feels that was a missed opportunity.

Brian Prescott said the Town did what the architect and engineers told us to do. Connie Appel said the Town really needs a building inspector. She agreed that so far, the approach has all been reactionary, and she pointed out that the Budget Committee's principle has been to keep costs down, and the Committee has been reluctant to spend more to address the long term problems. Noel Weinstein suggested developing a fifteen year plan, plus maintaining what is there now. Brian Prescott expressed concern that this building not become an endless money pit.

Sandra Licks said she is torn, and agreed that the Town does need someone who can shepherd some of these issues. Jim Wheeler said perhaps what is needed now is an engineer to make a structural analysis. Ann Bedard said she believes that a stipulation of the gift was that if the Town no longer uses the building as a library, it must revert to the family. She went on to agree that the idea of hiring a structural engineer to make an analysis would be money well spent.

Police Department Tour

Bob Meck said that the Whipple basement needs to be renovated fairly quickly both for the sake of the police department and the Town. He suggested that the scope of the work may be open to debate. John Wilson suggested that the scope could be affected by how the Kearsarge Community Center works out. Connie Appel said the police department needs that space for a lot of things. Noel Weinstein asked for an itemization of the \$400,000 that has been proposed for this project in 2009. Jessie Levine said that is based on two bids they got last year for a phased project. Brian Carey bid \$350,000, and Foremost bid \$280,000 but did not include the sprinkler system. The architect's estimate for his work is \$37,000, which includes construction oversight (if the project does not go forward, that part will not be spent). \$400,000 has been earmarked for the project, but the numbers may go down as certain items will be bid as "add/alternates."

Brian Prescott said he understands the requirement to meet all codes, but feels they can probably do this for less than \$350,000. For example, at this morning's site visit, the architect agreed that the floor need not be raised as much as 8-inches. Also, he, (Brian) is not convinced they need a kitchenette. Jessie Levine said that is an example of something that will be an add/alternate.

John Wilson asked if plans have been drawn up yet. Jessie Levine said that architect Chris Lizotte has done some. Brian Prescott said he is fine with the proposed design. Jim Wheeler asked if the basement is renovated just for police use, not for public, would that affect the requirements for a ramp and for moving the generator. For example, if the community center is approved, could this project at Whipple be done just for police needs. Jessie Levine will ask if a separate plan can be provided, or if an itemization could be provided that would allow people to see costs of the two options—(1) renovating the Whipple basement for the police and for some public use, (2) renovating it just for police use.

Finally, re: the tour, comment was made about how high tech the dispatch department has become. There was some discussion on the request for another part time dispatcher.

Fire Department

Comments were made regarding how well maintained the facility is, and the spirit of the volunteers there.

Public Works Department

Doug Baxter noted how well the new building is working to extend the life span of the equipment. Noel Weinstein asked about some new, still boxed, equipment that he observed at the sewer treatment facility. Richard Lee said that is the reserve pump for Georges Mills—to be installed in case of emergency at that pump station, and so that they would not have to operate for any extended period of time with just one pump there.

Jessie Levine will forward the memos from Jason Lyon and from Richard Lee addressing the advisability of accelerating the schedule for purchasing with capital reserves the backhoe and excavator for Public Works, and the ladder truck for the Fire Department. Brian Prescott said he is in favor of this, though he noted that buying the ladder truck sooner than originally planned is more of a gamble than is the earlier purchase of the highway equipment.

Bob Meck asked about how the money is invested. Jessie Levine said the trustees manage the capital reserve accounts, and invest conservatively. Noel Weinstein asked about the risk of having too much money in one bank. Jessie Levine said the Town's accounts are spread out among several banks.

Brian Prescott said the CIP committee should be looking at these purchases with numbers that reflect future dollars. Jessie Levine pointed out that future dollars are guesses. For the annual review, they have been adding a certain percentage in anticipation of inflation.

Projected Tax Rate Based on 2008 Budget

Jessie Levine said she projected a .5% increase in the grand list for 2009, and John Wilson said that he had done separate calculations projecting a 5% increase in wages and benefits. That would bring the projected tax rate to \$4.81, before surplus. He asked where the Town stands with its surplus. Jessie Levine said it is too early in the year to tell. They started the year with \$560,000 surplus, and may have \$245,000 at the end of the year. They will have less surplus this year to apply to taxes, even if the college pays what it owes vis-à-vis the settlement.

Schedule

John Wilson suggested that the Budget Committee meet with two or three departments each night for the next two or three meetings. The Committee agreed to meet with the Fire Department, Library and

Recreation Department on Thursday October 2 at 7 p.m. in the Fire Station, and with the Police and Public Works departments on Monday October 20 at 7 p.m., in this room. On November 17, the Committee will discuss the budget for general government, including the Community Center project. Jessie Levine and Carol Fraley said by then they will have the CPI and insurance numbers, as well as any changes to projected revenues.

Carol Fraley asked the Committee if she should send out the same letters she did last year to non-profits who will be requesting allocations. Connie Appel reminded the Committee that there has been some discussion in the past about requiring non-profits to submit their requests by petition, and she feels that would be a healthy thing. Jessie Levine pointed out that State law requires only 25 (twenty-five) signatures to get an article on the warrant, and Budget Committee members questioned whether or not that would indicate a substantial amount of public involvement and support. She said the Budget Committee could set its own number as a standard, but Committee members agreed that they would not want to be locked into that number. Connie Appel said the Budget Committee has spent a lot of time trying to come up with a policy for this.

Selectmen's Update

Brian Prescott updated the Budget Committee on:

- The roundabout construction which remains on schedule and on budget.
- The Schultz land purchase. That transaction has now been completed.
- There will be a public forum regarding improvements at Crockett's Corner on October 15. Right now, it is not clear how work there will affect taxpayers.
- The Selectmen have agreed with Richard Lee's proposal to postpone the paving schedule that was planned for this year. Materials have risen 50% in price, and they hope that will go down next year. The \$68,000 budgeted for paving Quail Run will be encumbered. Prep work on that road, Page Road, as well as Rowell Hill and Rocky Ridge can be done this year, and hopefully, all can be paved next year.
- Selectmen have visited Whipple Hall basement, and have met with the architect who will be preparing specs for bids.
- The Kearsarge Community Center continues its fundraising. Selectmen have agreed that if they are able to raise \$2 -million, they (Selectmen) will support an article on the March 2009 warrant asking voters to approve a bond for \$1.5 million. Celeste Cook asked if the group must actually have the money ready. Brian Prescott said they must have at least pledges, and Jessie Levine said they must have those by November.
- The abatement settlement for the college will result in a \$6 million increase in valuation of the dorms there.
- They have learned that the electronic gate for the Pleasant Lake Dam for which the Town budgeted \$60,000 (\$8000 of that to be gifted from PLPA) will cost an additional \$14,000 to install. PLPA has agreed to cover the additional \$14,000, with the understanding that Selectmen will support a warrant article asking voters to agree to pay that back. They are still in discussion with PLPA about the possibility of that association enlarging its gift.

Mark Kaplan expressed his concern about the number of large expenditures the Town is facing this year including the possible \$1.5 million 20- or 30-year bond for the community center, the \$400,000 proposed for renovations to Whipple Hall, and projected improvements in Elkins and at the library. He asked the Budget Committee to remain aware of the total, and to consider the possibility of spreading that out over time. He said that is a lot for one year.

Noel Weinstein asked why the Selectmen are financially supporting the community center. Brian Prescott said the Selectmen felt that the project would not get off the ground at all without Town support. Selectmen looked at the poor economy in general and at changes to the economy, some of which have been caused by the relocation of the middle school. They are looking for ways to stimulate people to spend money in Town. They would like to attract projects that will result in a benefit to local businesses.

Noel Weinstein asked if there will be some redundancy with COA, Outing Club and the college. Both Selectmen said no. Brian Prescott agreed that the largest feature of the community center will be its theater, and there has been some concern about that conflicting with the Barn Playhouse. He said that is being worked out now. There have been discussions about developing some variation of a non-compete clause in the deed, but now the two groups are focusing on working out some type of collaboration agreement.

Jessie Levine said they are having an economic study done that should show what impact the project will have on local economy. That will be ready by October 15. Asked how much the study cost, she said \$5000. Celeste Cook asked if there weren't some studies done previously for the community center. Ann Bedard said they did do some traffic studies.

Brian Prescott asked if they have the county budget yet. Jessie Levine said it will be \$3,081,000 up from \$2.9 million last year.

Noel Weinstein asked about the proposal to hire one full time custodian for the three Town buildings, and if one person could do all that. Jessie Levine said she has calculated that one full time person with oversight, could accomplish this work in a 40-hour week, and it would result in significant savings from the cleaning contracts that the Town now has for those three buildings.

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Motion made, seconded and unanimously approved to adjourn at 9 p.m.

Respectfully submitted,

Sarah A. Denz
Recording Secretary