

Budget Committee  
Meeting Minutes  
November 15, 2010

MEMBERS PRESENT: John Wilson, Connie Appel, Ben Cushing, Bob Meck, Kathy Bianchi, Jim Wheeler (Chair), Bill Helm, Celeste Cook, Ann Bedard, Mark Kaplan (Board of Selectmen Representative)

OTHERS PRESENT: Tina Helm (Chair, Board of Selectmen), Peter Bianchi (Selectman), Jessie Levine (Town Administrator), Carolyn Fraley (Finance Officer), Richard Lee (Public Works Director), Chad Denning (Recreation Director), Dave Seastrand (Police Chief), Jay Lyon (Fire Chief), Peter Stanley (Zoning Administrator), Linda Hardy (Town Clerk/Tax Collector), Sandra Licks (Tracy Library Director), Linda Jackman (Administrative Assistant), Steve Ensign (Chair, Board of Firewards), Bob Brown (Chair, Conservation Commission), Nancy Friese (Council on Aging), Chuck Curtis (President, Council on Aging), Hardy Hasenfuss, Phyllis Piotrow, Rob Daley, Erle Blanchard

Chair Wheeler called the meeting to order at 7:00 PM and welcomed everyone. He thanked new member Ben Cushing for stepping in to fill in Doug Baxter's position. Chair Wheeler gave some guidelines for the committee and the audience during the meeting. He asked the members of the Budget Committee to come to the meetings prepared, to read the minutes, and study the packets of information. He expects excellent attendance and asked members to make him aware if someone had to miss a meeting. People outside of the committee were welcomed to the meeting and encouraged to participate and to speak up with questions and comments. He asked them to please introduce themselves for the record.

Chair Wheeler said that this is the meeting where the Board of Selectmen will introduce their budget to the Budget Committee. They hoped to hear a fiscal year presentation from Ms. Levine and then to start going through the Capital Improvements Plan. He said that he had observed the last few meetings of the Board of Selectmen and felt they did a sincere job in their efforts. The Budget Committee will now start anew with the budget, which will become their budget. They will work on behalf of the taxpayers to post the budget for voters at the Town Meeting in March. In the last meeting of the Budget Committee in May, they agreed that due to State budget cuts and reduced State funding, they need to look at the Town's priorities and move forward with that idea in mind.

Connie Appel said that she was unable to attend the earlier Selectmen's meetings but did read the minutes to keep up-to-date. She wanted to commend the recording secretary for the quality of the minutes, as she was able to feel as if she were right there at the meetings.

May 19 Budget Committee Minutes: Mr. Wilson said page 3 at the top, his name was written as "John Wheeler" instead of "John Wilson." IT WAS MOVED (John Wilson) AND SECONDED (Celeste Cook) to approve the May 19, 2010 minutes, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Mr. Wheeler asked that people vote with raised hands during meetings and pointed out that since there are 10 people on the Budget Committee, a tie vote would constitute a no vote.

Budget Presentation from Board of Selectmen: Selectman Mark Kaplan noted the two packets of information that contained the budget for calendar year 2011, and read aloud the following from a memo from the Board of Selectmen to the Budget Committee:

*The attached budget reflects a 1.7% operating budget increase for calendar year 2011 (1.6% including deposits into capital reserves). Gross total appropriations, which includes all borrowing and spending out of capital reserves, increased by 5.6%.*

*The Board of Selectmen made or considered the following changes in its examination of the budget:*

- The Board of Selectmen changed the employee health plan to an HMO with a \$250/750 deductible. The attached budget includes funding for the deductible in the first year at a total of \$16,500. Even with funding the deductible, this change to health insurance saved \$50,000.*
- Without the New London Ambulance request, the operating budget increase would drop by 0.7%. The Board of Selectmen met this morning with representatives of the New London Hospital to discuss the Hospital's \$39,000 (41%) increase in requested funding to support the ambulance and ultimately voted to support the Hospital's budget request.*
- Without the \$21,200 of milfoil funding, the operating budget increase would drop by 0.4%. The Board of Selectmen met this morning with representatives from the four lake associations and ultimately voted to support the milfoil funding requests.*
- The resignation of the Town Planner has given us an opportunity to reevaluate planning services. The entire Zoning Administrator budget has been moved into the Planning & Zoning budget to better reflect the operational costs of that department. The budget for the Town Planner has been decreased from the Planning Board's original request, and the Zoning Administrator is in discussions with the Regional Planning Commission about further reducing the operating budget by passing certain planning costs onto users.*
- The Board of Selectmen reviewed the Capital Improvements Plan at its November 1 meeting and voted to postpone the Gravel Roads Paving Program, which removed \$55,000 from the budget. With the suspension of the Gravel Roads Program, the proposed increase in deposits to capital reserves dropped from an initial 13.2% to 0.2% in 2011 (see Table 23, attached).*
- Capital Outlay, which appears substantial, includes funding for engineering for the Pleasant Lake Dam, bonding for Tracy Library and the Sunapee Wastewater Treatment Plant, and the Elkins Renewal Project.*
- The Board of Selectmen voted on Friday to seek a 30-year bond for the Sunapee Wastewater project in the event that the 25% grant/20-year loan does not come through. Either scenario would have the same annual impact on the budget. The Selectmen also voted this morning, as they did last year, to ask all taxpayers to fund one-third of the cost of the wastewater project. The Wastewater Project funding breakdown is attached.*

Mr. Kaplan said that the following items may change before the budget is concluded:

- *The Town has sought a second bid for the Town's cleaning services. This may result in a reduction of that expense.*
- *There is an outside chance that the Lamson Lane grant that we applied for in 2007 will come through (for three years we have been told that we received the grant but that FEMA has not yet funded it). This is a \$400,000 project that requires a 25% match.*

Chair Wheeler said they would review the appropriations pages in the next meeting. He felt the Board of Selectmen had done a good job, and explained that this year they are making the budget a two-step process. The Board of Selectmen created the budget and handed it to the Budget Committee, which can work with it, modify it and do what they need to do with it but he felt they must keep the budget and not give it back to the Board of Selectmen to make further revisions, as was done last year.

Fiscal Year Presentation: Ms. Levine said that given the feedback that there is still confusion over the fiscal year transition, she is still struggling with the best handout or presentation to show the concept. She referred to a new four-page handout showing four variations of the fiscal year timeline and the impact on a \$400,000 home. Ms. Levine said that all four slides use an estimate for the 2011 town tax rate with the school and county taxes left the same as 2010. The 18 month calculations only apply to the town rate and not the other rates.

- The first slide projects what the 12-month operating budget would look like with no fiscal year change and using the 2010 and projected 2011 tax rate. Over the course of 18 months under this scenario, the taxpayer would pay \$9,174 in three bills. Bill Helm pointed out that the 2010 tax bill had some surplus applied to it and therefore is not apples-to-apples with the projected 2011 tax rate.
- Slide 2 shows the fiscal year change being paid for with the current process of semi-annual billing. The town tax rate increases to \$6.08 per \$1000, which is based on the budget they have just been given. In the semi-annual billing, the big bill in December would be significantly higher. The December bill increases by about \$672 in this scenario, and the following May bill is about \$300 higher because it is half of the previous bill, which is unusually high to collect for 18-months of operations. Ms. Levine said that in this scenario the taxpayer incurs about \$1000 to pay for the additional six months of operation.
- The third slide shows the fiscal year change with the quarterly billing. Ms. Levine said that the taxpayer pays the same amount over 18-months as in the previous scenario, but the bills are spread out over five bills instead of three.
- The fourth slide compares the semi-annual and quarterly billing side-by-side to show that both pay the same amount for the additional six months required for the fiscal year transition. Ms. Levine added a row at the bottom of the slide that shows the cumulative effect of the bills, pointing out that as of the first quarterly bill in April, the taxpayer has paid out more money under this scenario, but as of December the taxpayer has paid out less.
- Ms. Levine referred to a fifth page with a spreadsheet showing how the payments would fall. Option 1 is paying over two bills; option two is paying over five bills, and both result in the same amount of money paid out for the additional six months.

Ms. Levine gave them a copy of RSA 76:15-aa, which explains how the quarterly billing has to be collected, as it doesn't give them the flexibility of simply dividing the total payment due by six.

Chair Wheeler asked at what point a taxpayer could say they had paid ahead no extra. Ms. Levine said that it would depend on where they draw the line. Mr. Helm said that slide 4 shows that by December 1, 2011 the taxpayer is ahead. Mr. Kaplan said he liked slide #5 because it shows no difference in the amount, but only in the number of payments.

Chair Wheeler asked if the current set-up is that taxpayers pay three months in arrears and three months in advance. Ms. Levine said the tax year goes April to April. Mr. Kaplan said that they pay on July 1 for expenses committed from January 1 to June 30. They don't pay again until December 1. Chair Wheeler said at present they are paying prior and forward, three months. Ms. Levine said the assessing date is April 1<sup>st</sup> and that date matters as far as taxes and property closings.

Chair Wheeler said he agreed with Mr. Kaplan in the simplicity of slide five, but also liked the simplicity of staying with the current semi-annual payment. Mr. Kaplan said if they continue doing what people have already been doing, that is fine, but there is a problem: property values are higher and amounts people are paying are higher. He felt breaking the payments down in smaller amounts would be a huge advantage for the taxpayers. After the transition period, Ms. Levine said that quarterly payments could continue or they could go back to semi-annual, depending on what Town Meeting wanted. She inquired as to Chair Wheeler's concerns because it was the same amount of money in either payment scenario. Chair Wheeler thought people would rather bite the bullet and pay it in two amounts instead of five. Ms. Levine said that people will have to vote on it at Town Meeting, so it does give the option for them to decide. She added that she has heard that people would prefer the quarterly billing in general, not just because of the transition. Quarterly billing would also help the cash flow of the town, which was one of the goals of the fiscal year transition.

Ms. Bianchi asked if they'd put the fiscal year on the same warrant article as the quarterly billing option. Ms. Levine said that they would be separate articles; after the budget is approved there would be a vote on how to pay for it. Chair Wheeler said that the budget presented to the town will include a dollar amount, and asked if they will be voting on all the appropriations at that time. Ms. Levine said that there is one warrant article with a dollar amount for the total budget, and she envisions that it would include a list of budget by department for the next 18 months. The second article would be for a 12 month budget as contingency, in case the 18-month fiscal year transition budget did not pass.

Mr. Meck noted that if Town Meeting votes in favor of quarterly billing, the bills would be due by mid-April. He wondered what the impact was on the Town Offices in order to ready itself. Ms. Fraley said that the bills would be ready to go the next day. Mr. Meck asked Mr. Ensign if the escrow would be okay. Mr. Ensign said that there would be a small hiccup in the escrow, as some people may not have the money put away, but it would not be overly problematic.

Ms. Levine noted that Peterborough voters voted down quarterly billing when they switched to the fiscal year.

Ms. Kaplan asked for an indication from the crowd on how many would prefer quarterly vs. semi-annual billing. The straw vote was higher for quarterly billing.

Mr. Blanchard said if they were going from paying in arrears to paying in advance, they really never catch up as a taxpayer. If they moved out of town and moved back in, they could miss the 18 months of taxes. Mr. Blanchard said that they need to not confuse people about the quarterly vs. semi-annual payments, but to educate people about the six months of taxes they have to pay to catch up. Ms. Appel said they are not paying extra taxes, as they would be paying those taxes anyway; they are just paying them in advance.

Mr. Blanchard said that they actually are paying more taxes. Ms. Levine said that they are paying for six months of services sooner, but it is the same amount that they would have to pay eventually.

Chair Wheeler asked if the benefits of the transition were worth going from arrears to paying in advance. Ms. Levine felt this was already decided upon by the Board of Selectmen and the Budget Committee. Chair Wheeler said in the past he asked again and again if it would cost more money and was told it wouldn't, but now it sounded like it would. Mr. Wilson said the Budget Committee and the Board of Selectmen thought that the points were very powerful and reasonable and good business. He feels they have struggled with understanding how this would be paid for. They are having trouble interpreting it, and when they still have to educate the town, in addition to the quarterly billing option, it can be confusing. They need to get the story straight and understand the benefit of paying the extra money to make this transition. Ms. Levine said she would be happy to share the publicity and correspondence that the other towns have used to promote this idea, because she felt that her education in New London has been the same as what has been said in other towns. She said that the general population has not communicated this type of angst; she has received a number of positive responses to her columns about the fiscal year change. She said that she was not creating a New London version of the transition; it is what it is. Chair Wheeler felt it was still worth moving forward and bringing it to Town Meeting.

Rob Daley asked what percentage of taxes was paid for in escrow and how much was paid out of pocket. Mr. Ensign said that most people do not escrow. Mr. Daley said that people who are getting paid every other Friday are putting money towards their escrows twice a month. The tax burden on the taxpayer makes it less obtrusive when it is spread out. Mr. Ensign said that the quarterly billing would improve the Town's cash flow and lessen the windows of time the Town was borrowing money in anticipation of getting a check three months later. It is beneficial to the town. Chair Wheeler asked about the administrative costs associated with the quarterly billing. Ms. Levine said that aside from a computer programming and printing expenses, it is minimal.

Chair Wheeler asked Ms. Levine to explain how the article would be worded at Town Meeting. Ms. Levine said it would say something along the lines of: "To see if voters authorize changing to quarterly billing pursuant to RSA 76:15-aa."

Phyllis Piotrow said that paying quarterly taxes gives the Town more control over what they are doing. In this system, the town would actually be spending money it has.

Ms. Bianchi said that if this is voted on at Town Meeting, people will be looking at getting the first bill in the next month along with paying their federal taxes on April 15<sup>th</sup>. For a lot of people who will be only be hearing this for the first time, that could very well be a significant factor. She also thought of seasonal people whose cash flow is closely monitored and planned. Ms. Levine said that the statute determines how the first bill is collected. They pushed back the transition a year because the statute only allowed for collection as of April 1, which is only about two weeks after Town Meeting. They had to get the statute changed to say the first bill would be due no more than 45 days after Town Meeting. She said that hopefully people wouldn't be hearing about the transition for the first time at Town Meeting. She noted that a notice had been inserted into the recent tax bills and she will continue to educate as the budget moves forward.

Ms. Appel suggested using slide four, but using the Arial font that was used in slide five. She liked the arrows in slide 4 and it made it very clear to her.

Ms. Cook asked Ms. Levine about the interest at a rate of 12% and whether that would be any different under the quarterly bill scenario. Ms. Levine said the interest is a statutory requirement and would go

against any unpaid bill; if people waited until July to pay their first two bills, they would owe interest on the April bill. Ms. Levine said thought it was more likely that people would pay their July bills early than their April bills late.

Mr. Meck suggested that once all of this is in effect, they can begin budgeting so there is a less surplus. Ms. Levine said that they never budget for surplus. Mr. Meck thought they exercise tighter budgeting to lessen the surplus. Ms. Levine said that surplus occurs when projects go unfinished or they have taken in more revenue than expected, but they don't budget for it. Chair Wheeler asked if it was possible to put another \$100,000 of surplus towards the transition. Ms. Levine said that Town Meeting could vote to use the 2010 surplus for the transition. Ms. Levine noted that she had encouraged the Board of Selectmen not to use as much surplus to lower the 2010 tax rate so it could be used to offset the transition.

Ms. Bedard asked if changing the fiscal year would change the month they set the tax rate, and Ms. Levine said it would not; it would still be set in October. Ms. Bedard asked what quarterly billing did to school funding and payments, and Ms. Levine said it did nothing. They would be collecting the taxes in advance instead of in arrears. Their payments don't change, but they will have the money sooner to pay the bills. In the past they have had to negotiate with the school to make their payment late as they didn't have enough money in May and June to be able to pay when due.

Chair Wheeler said that if someone owns a \$400,000 home, during the transition they will be paying \$1,000 more over the next 18 months. He asked if that was worth it. Ms. Bedard said it is not an extra \$1,000 – it is just paid sooner.

Chair Wheeler felt that this was an ongoing process and he thought Ms. Levine has done a great job thus far of trying to educate the Budget Committee.

CIP Review: Chair Wheeler indicated that he, Bill Helm and John Wilson were on the CIP Subcommittee that met with the Department Heads. He noted that he promised not to get into the Library building requests until Bob Bowers could be in attendance. Chair Wheeler shared that after going through the tours of the departments, his eyes were opened. He felt it was a helpful part of the process.

He asked Ms. Levine to take the Budget Committee through the CIP. Ms. Levine began by reviewing the tables in the report:

- Tables 7-8 -- Wastewater Capital Reserve Program: Ms. Levine said that there is a \$20,000 proposed deposit for every year over the ten years of the plan. They wish to spend \$85,000 out of the fund in 2011 to upgrade the control panels at the main pump station at the end of Frothingham Road. They were hoping to get a 35% grant for this, but bumped themselves from that possibility because of the 25% wastewater treatment grant that the town is applying for. Ms. Levine indicated that there was enough in the capital reserves to pay for this upgrade. In 2013 they plan to replace the existing storage garage on the sewer property.
- Tables 9-10 -- Highway Department: Ms. Levine said that the Highway Equipment fund and the Highway Maintenance fund were combined into the Highway Equipment and Maintenance fund. This change will hopefully be voted in at Town Meeting. Mr. Lee sent a memo to the CIP Subcommittee to show that some equipment's replacement years had been pushed out. Those changes saved about \$200,000 over the life of the CIP. The deposit into the fund will be \$140,000 and they are proposing the purchase of a new dump truck to replace the 2001 dump truck. The grader has been pushed out 7 years and the 2 one-tons have been pushed out along with some other equipment. Chair Wheeler asked Mr. Lee if \$30,000 had been budgeted for the grader's refurbishment. Mr. Lee answered in the

affirmative and said they would pay for this over two years; \$13,000 this year and the rest in 2012. The original estimate was for \$42,000 but \$7,000 of that was cosmetic work that didn't need to be done. Ms. Levine said that compared to what was in the table last year, a deposit of \$140,000 was significantly lower than what had been projected for 2011 the previous year.

- Table 11 is a new capital reserve fund for making repairs to the highway garage. They also have plans to replace the sand and salt shed in 2018. For the next three years they will be putting money away but plan to work on the highway garage in 2014. The estimate for repairs to the highway garage from Bruss came in at \$107,000 and they whittled that down by having the Public Works employees do some of the work on their own. Ms. Bianchi asked if these projects will get sent out to bid. Ms. Levine said that they would be.
- Table 12 & 13 -- Police Vehicles: Ms. Levine said that last year and this year they are on a four-year replacement schedule for the 2006 and 2007 cruisers. They plan revert to the three-year replacement schedule, which will require a \$25,000 deposit in 2011. Chair Wheeler said that the CIP Subcommittee "beat up" Chief Seastrand with regards to the older vehicles and pushing them as much as they could. Chief Seastrand convinced them that a three-year rotation was best.
- Tables 14 & 15: The CIP recommended closing the Police Dispatch Equipment Fund and returning the balance to the general fund. Ms. Levine recommends keeping some of the money in a non-lapsing fund as contingency for repairing police dispatch equipment.
- Table 16 & 16a -- Fire Apparatus Replacement and Maintenance: Ms. Levine said she put the two schedules into the same chart to show how the two projects interact with each other. In 2010 they deposited \$100,000 into the Fire Equipment Fund but didn't realize the fund didn't allow them to repair the apparatus. There will be a decrease in the annual deposit into the equipment replacement fund. They wish to replace the Ladder Truck in 2012 (after July 1) and the Utility Truck in 2011.

Chair Wheeler asked about the refurbishing fund. He thought it should be called "preventative maintenance." He said that they needed enough funds in the Fire Department budget to take on unforeseen maintenance issues. Ms. Levine asked Chief Lyon if he intended for the fund to be expendable. Chief Lyon said he did. Chair Wheeler said that this seems to be becoming an operating budget and not really a CIP item. Mr. Helm said he thought this was for long-term refurbishment of the three pieces of equipment, not for unplanned maintenance. He added that he wouldn't want to see the money they set aside for refurbishment be used for an emergency muffler repair. Ms. Levine said that she thought Chair Wheeler was suggesting adding more money into the fund to pay for emergency issues as well as planned refurbishing. Mr. Helm said they spent a lot of time during the CIP Subcommittee meetings talking about refurbishing the apparatus.

Chair Wheeler said he didn't understand; refurbishing should help to extend the life of an apparatus, but this seems to do the opposite because the equipment is scheduled to be replaced sooner than in the previous version of the plan. He asked Chief Lyon to explain.

Chief Lyon explained that in 1976 the Pierce engine was purchased. In the late 1980's it was refurbished for almost the cost of the purchase price. The engine was replaced in 2002 and when it was traded it in, it was not fit for the road and the manufacturer could only use it for pieces and parts. NFPA recommends that apparatus be refurbished every 10 years and replaced every 20 years. That is, of course, contingent on usage. Their apparatus is going out on the road more frequently and is seeing more rust. He agreed that they need a regular maintenance fund to service equipment. They have had instances when they needed repairs that are not expected. They had a catastrophic pump failure on the

ladder truck that cost \$8,000 which luckily was paid for out of FEMA funds following the ice storm. They have had several other instances where they have had unexpected repairs and they don't have a place they can draw money from in their operating budget, which is bare bones. To have a fund to take care of something catastrophic made sense to him. They wouldn't go to that fund to replace tires or other things that were expected expenditures.

Chair Wheeler said that he still wasn't sure what was classified as refurbishing vs. maintenance. Ms. Levine said that she didn't think it mattered what they call the fund, but mattered more what the purpose of it was. If the purpose is to both refurbish periodically and to pay for emergency repairs, then they will need to put more money into the fund to pay for unexpected repairs. Chief Lyon said that the figures he put in the table were estimates. He felt they were reasonable. Mr. Helm said that what Chair Wheeler was talking about should be put into the operating budget.

Chair Wheeler asked why refurbishing in 2013 did not extend the life of the engine. Chief Lyon said it was because of wear and tear and rust; the previous engine was not road-worthy at 26 years. They are talking about emergency apparatus, of which they only have three. Ms. Bianchi said she agreed with Chair Wheeler. Refurbishing should enhance the vehicle. Last year they thought they could go until 2027 to replace the engine and now it has been moved to 2024. Mr. Helm said that looking out 10-15 years shouldn't change how much they will put into the CIP this year. Ms. Bianchi said when looking at the CIP as a plan moving forward and all the steps along the way in that plan, they should connect in a logical sequence that make sense. Chair Wheeler said that they have to go with Chief Lyon's best judgment on this.

Chair Wheeler asked about the tanker replacement. He was not inclined to put anything into the CIP that hadn't been thoroughly vetted and discussed. It wasn't a financial issue as much as it was a housekeeping issue as far as not putting a new tanker into the table. Mr. Helm said it was \$24,000 to refurbish the current tanker. Chief Lyon said New London has a ladder, tanker and a quint. The tanker is a decent backup piece at the moment. In the early 1990's their plan was to have an engine tanker. The tanker was purchased and his recommendation to the Committee was to keep the current tanker as a backup piece. It doesn't have to be that particular piece of apparatus. They could look at something that was used but only having three main pieces of apparatus is minimal. They have combined the functions of several trucks into one, and now have just three main pieces. If one is out of town for a mutual aid call, or is out of service, they are short handed. The first one that leaves the building is the tanker. He agreed with Ms. Bianchi when talking about the engine. The reason it has been moved up to 2024 instead of 2027 is that they have tried to get them down to 20 years. It would be 22 years old in 2024.

Chief Lyon said that at Chair Wheeler's request, he conducted a study of other towns suggested by Chair Wheeler, and New London doesn't have a lot of coverage or expenses in comparison. Fortunately they have a lot of good mutual aid that will help but they need to make sure that at the end of the day, the Town of New London can take care of itself.

Mr. Wilson recommended changing "Replace Engine/Add Engine Tanker" to "Replace Tanker/Rescue Engine" in 2013.

- Table 16B -- Self Contained Breathing Apparatus (SCBA) for the Fire Department: Ms. Levine said the Fire Department plans to replace 25 units in 2017 when they replace the ladder. They are hoping for a grant that will offset the cost, but are planning in case they don't receive it. They request a deposit of \$20,500/year.

- Table 17 -- Tracy Library : This discussion was deferred until Mr. Bowers could be present. Mr. Helm thought that they should put \$1 in the fund in case the bond failed so the Library wouldn't be stuck without getting any funds to do the work they need to do.
- Table 18: Ms. Levine said this table, which represented the Tracy Library Computer CIP -- is to be eliminated. The CIP Subcommittee recommended including the annual computer expenses in the operating budget. The library budget increased a bit because the \$12,000 for computers was put into their operating budget.
- Table 19 – Gravel Roads Program: Ms. Levine said that the Board of Selectmen voted not to fund this program in this budget, which means that no gravel roads will be paved in 2011.
- Table 20 – Recreational Facilities Program: Ms. Levine said that no deposits will be made into the fund in this budget. Next year they will look more closely at the need for storage space and repairs to Bucklin Beach.
- Table 21 – Sidewalk Capital Reserve Fund: Ms. Levine said that the next big project will be Elkins. They will be spending out of it in 2011 because of the timing of the grant. This outlines the plans for the foreseeable future.
- Table 22 – Town Building Maintenance Fund: Ms. Levine said that this fund is expendable. They plan for budgeted work and emergencies, such as the Board of Selectmen this morning approved spending \$6,800 out of the fund to repair a wall near the generator that had a bad leak. Ms. Levine said that also under this table is the proposal to create a fund to address the Town's GIS maps, which do not correlate to property boundaries in New London. They wish to fund this over the next three years and to do the work in 2013. Chair Wheeler said that when they go to the GIS website and pull up a parcel, there are two views. One is a tax map and one is an aerial with tax map superimposed. He wondered if the issue that the aerial photo shows the tax map line out of synch with the map. Ms. Levine said that the tax map identifies boundaries in the wrong place. Peter Stanley explained that when the original mapping was done, engineers took aerial photographs that were not corrected to account for the curvature of earth, and force-fit the maps onto the photos. They now have ortho-rectified photos available to correct this. Maps done manually in the 1970's don't correlate to the actual aerial photographs. He said that a wide variety of people depend on these maps: engineers, property owners, buyers, real estate agents, people doing a site plan, lawyers, etc.. Given that the Town has a billion dollars worth of real estate, Mr. Stanley said, they should have the most accurate information possible. He said that he has been struggling with this for 10 years and he thought it should be done.  
  
Mr. Blanchard asked how the tax map correlated to the deeds. Mr. Stanley said that they did correlate, in theory, but when applied to the tax maps they do not always correlate. Ms. Levine said she had copies of the letter from the mapping company of the methods they would go through to rectify these errors if the Budget Committee wished to see it.
- Table 23 – Summary: Ms. Levine said that the Planning Board wanted her to add the library bond into the table (\$370,000) but it didn't appear in this version. The increase is from \$428,000 to \$443,000 in 2011. Mr. Helm said that this table is missing the two funds that were no longer funded, so it appears that the increase is smaller than it actually is. She agreed and added that the funds that were closed had minimal deposits in 2010.

Mr. Helm asked Chair Wheeler about the Conservation Commission's request. Chair Wheeler said that the Conservation Commission is looking to add \$25,000 added to its capital reserve fund this year. They are looking at a specific piece of land on Otter Pond as a potential purchase. The current balance in their CIP fund is about \$425,000. Last year, the Budget Committee did not fund the Conservation Commission's requested and the Commission generated a petitioned warrant article for \$25,000 that passed. He suggested inviting the Conservation Commission into the meeting to ask them if they would forego the deposit on their own and not bring it up at Town Meeting.

Conservation Commission Chair Bob Brown said that as the Budget Committee was aware, two years ago the recommendation went from \$50,000 to zero with no promise, but an understanding that the next year they'd go back to the \$50,000. That did not happen and they had zero deposited again. That is why they petitioned for the \$25,000 to be put into the fund. At this time, the number they are requesting for the 18-month period is \$25,000, so that is actually a reduction from the 2010 deposit. Mr. Brown said there is a strong argument that people will not starve to death if they fund it; an article he read said "you can't eat scenery and views don't pay taxes," but he felt it was a way of life. They are looking into a piece currently but do not know where it will go. There are other parcels outlined in the Master Plan that they would be interested in if they became available. He felt strongly that the funding should remain.

Mr. Wilson noted that the money can't be used as a down payment without being appropriated and voted on at Town Meeting. He said he was never sure what the Conservation Commission used the money for. Mr. Brown said the way it is defined, it is for the purchase of land. They have had some discussion and there have been suggestions, and at some point they would like to get approval to reword the fund to allow the purchase of an easement in addition of to purchase land.

Board of Selectmen Update: Mr. Kaplan said reported on the Sunapee wastewater treatment refurbishment. It was built over 30 years ago and is not of high quality any longer and it is only a matter of time before the state DES comes in and orders them to make repairs. They are expecting a 25% grant with a 2.9% loan for 20 years. Their 65% portion of the facility is a total of \$5.2 million. If they got the grant, they would need to borrow \$3.9 million. The annual cost would be \$260,000. If they don't get the grant, what they are proposing is to borrow at approximately 3% for 30 years. The cost would be approximately \$263,000 per year for the \$5.2 million. The plan is to go to Town Meeting in March and ask for the \$5.2 million and notify everyone that they will be applying for the grant and will pay it off in 20 years. They agreed on the same 2/3 and 1/3 method of payment between the users and the general taxpayers.

With respect to the statewide property tax, Mr. Kaplan said that there is an outside possibility that with the change that occurred in the legislature, there are people who are interested in making bills that would change the outcome. Whether they will get passed and signed by the Governor, he doesn't know. He will keep the Budget Committee posted on that.

Other Business: Mr. Helm said that when they come to discuss the Hospital request, he will have to recuse himself, as he has been very involved with the Hospital over the past several years. He suggested that in the meantime, perhaps a Budget Subcommittee could do research about the ambulance expenses. Ms. Cook also recused herself, as she is on the Hospital's Board of Trustees. Ms. Levine said that in addition to the letter from the Hospital, the Board of Selectmen's minutes from that morning's meeting should provide background. She added that there was a handout given by the Hospital that could be useful. If they would like to meet with anyone, Ms. Levine offered to set up those meetings. Chair Wheeler thought perhaps the Hospital could give a profit and loss statement for the transport business as well as the rest of the ambulance service. He felt perhaps they were masking their loss. He said that when they send an ambulance on a 2-4 hour trip, New London is helping to pay for the salaries of the people

working on the ambulance. Mr. Kaplan said that they are willing to sit down with them and talk about options. Should they get rid of all the equipment and hire out other services like Golden Cross? Should they figure out something between the Town and the Hospital? Or should they figure out something between other towns and the Hospital? The Hospital is willing to sit down and analyze this with them. Chair Wheeler asked what happens if they, as a town, decide not to pay what the Hospital asks. Ms. Levine said that they would take a bigger loss. Mr. Kaplan said that if the losses were so great they couldn't continue; they'd have to close.

Ms. Levine said the Town is planning to do a thorough study with a consultant, but not before the budget is done, that will dive deeper into the ambulance service.

Ms. Bedard asked if they got funding for the wastewater facility for 30 years, how long would the upgrades last. Ms. Levine said it is estimated at 30 years. USRDA won't fund anything more than the life expectancy of the project, and they are funding Sunapee's share of the project. Ms. Bedard said they found out in the past that the State's 25% grant wasn't guaranteed every year, as it is part of the State's biennial. There was a time that it didn't show up when payments were needed. She was concerned that the State could back out and they would have to scurry around and get money for two projects that were funded this way.

IT WAS MOVED (John Wilson) AND SECONDED (Bob Meck) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 9:22 PM.

Respectfully Submitted,

Kristy Heath, Recording Secretary  
Town of New London