

Town of New London
Budget Committee
Meeting Minutes – August 15, 2007

Present: Connie Appel, Larry Ballin (Selectman), Doug Baxter, Patricia Blanchard, Carol Fraley (Financial Officer), Mark Kaplan (Selectman ex officio), Jessie Levine (Town Administrator), Bob Meck, Noel Weinstein, John Wilson (Chairman), and Barry Wright.

Absent: Jim Wheeler, Jack Diemar

The meeting was called to order at 7:02 p.m.

1. Meeting Minutes

Mrs. Appel asked whether the portion of the minutes regarding long term disability should say six months rather than six weeks. Ms. Levine said that it should be changed; she will revise the minutes. The minutes of July 18, 2007, were unanimously approved as amended.

2. Subcommittee Reports

- Public Works Subcommittee - Ms. Levine advised the Board that the Capital Improvements Committee had reduced the Sewer Department's capital expense which reduces the sewer users' contribution into the sewer capital reserve program. As you, the Board, already know the future cost to replace the six-wheel dump truck will go up considerably. Ms. Levine summarized a meeting that she and Richard Lee had with Sunapee's wastewater superintendent in regard to billing and flow, which included talk of updating the main plant in the future. Chair Wilson asked if Ms. Levine if she was happy with the reply she got from Sunapee in regard to New London's ideas. Ms. Levine stated that the superintendent has a good handle on how the system works and how much flow it can handle. His ideas for upgrade seem feasible and adequate.
- Personnel Subcommittee – Mr. Wright said that the subcommittee has come to the conclusion that they need to come up with ideas on how to cut employee costs like the maximum accrual of sick and leave time. The subcommittee will then bring their idea to the Budget Committee, which will then make recommendations to the Board of Selectmen. We are also preparing some thoughts for the employee pay ranges as well. Mr. Weinstein said that he believes that the Town should curtail the leave and sick time accrual. Doing so will help to cut costs and broaden the worker's efficiency; it should be a "use-it or lose-it" program.
- Fire Subcommittee – Mr. Meck stated that the Fire Subcommittee had met with Steve Ensign and Jay Lyon to discuss budgets and salaries. Both Steve and Jay expressed that they felt uncomfortable to propose a full budget until the salary and pay for the full-time chief and the part-time firefighter have been decided. Both stated that they should have their budget completed in the next 15 to 25 days. Ms. Levine stated that the Board of Firewards had offered Jay Lyon the full-time chief's position and he accepted. They were going to discuss salary and pay today.
- Administration Subcommittee – Mrs. Blanchard advised the Board that the Administration and Recreation Departments feel that their budgets will stay about the same as the 2007 budget. The Library does not seem to be so committal; the new director is still trying to figure out exactly how the budget process works. Chair Wilson stated that the Library is

trying to comprehend the budget and become more responsible with money. Ms. Levine advised the Board that the Zoning Administrator's position may change from part-time to full-time to cover the new building permit process which will now include permits for any interior or exterior alterations. The building permit fees are also slated to change.

- CIP Subcommittee – Chair Wilson stated that the CIP Committee has decided to leave the appropriation in the Public Works Department programs the same as the 2007 appropriation. **Fix this paragraph:** The Police Department programs had a bit of a hang up as we purchased two cruisers on a two-year plan rather than a three-year plan. The 2005 police cruiser is going up for surplus bidding. Sergeant Andersen would like to keep the 2005 cruiser as the 2003 Expedition is having difficulties with the air conditioning and electrical panel. Ms. Levine has asked Chief Seastrand and Sergeant Andersen to put some figures together to either make repairs to the Expedition or the replace the Expedition.

Chair Wilson added that the Fire Department was asking for a \$100,000 appropriation for the Fire Truck Replacement Program, but the committee has decided to reduce the amount to \$90,000 for the next five years, which will be reviewed annually. Mr. Weinstein stated that the next truck to be replaced is the ladder truck and when we replace it the Town will be looking at a \$1 million dollar price tag. Mr. Kaplan asked if the reduced appropriation would be adequate. Mr. Weinstein stated that it will be.

Chair Wilson stated that it seemed as though the Library may have pulled some of their figures out of the air. The committee has decided to work with the Library to create an appropriation schedule that is adequate for future planned projects. Mrs. Appel asked if the Library understands that it will benefit them not to surprise the Budget Committee with high numbers. Chair Wilson believed so. Mr. Weinstein added that this is the second time in the past year that bids for projects have come in way over budget -- the roundabout and the library renovations. Is there any reason to be concerned about those situations? Ms. Levine stated that the roundabout bid timing may have had something to do with the high bids. The roundabout project will go back out for re-bid on October 1. The library bid winner was the company that did the initial estimate. The library directors were going to review the bids with the proposals. Mr. Weinstein asked what will happen if the roundabout bids come back higher once again. Mr. Kaplan reminded Mr. Weinstein that the Town has come within reason of previous proposals and bids, such as for the new highway garage, fire station renovation, and other town building projects. In the case of the library project the person who did the estimate came back and submitted a bid that came in dramatically higher than the estimate they provided.

Mrs. Appel asked if the Town should create a position to review the condition of town buildings for immediate and long-range planning. Mr. Baxter added that it may be more feasible to outsource rather than create a position and staff it. Ms. Levine stated that if the Town were to do so it could eliminate the custodial position that currently exists at the Library. Mr. Ballin disagreed, stating that the custodial position will still be needed for minor repair and up keep to the building, but the Town should have someone to inspect all Town buildings. Ms. Levine said she would do further research on the topic.

The Recreation programs will primarily remain the same except for the land acquisition appropriation, which is currently set to \$25,000. The account currently has \$105,000; the questions is should we keep the appropriation at \$25,000 or change it. Mr. Ballin advised the

Board that Chad Denning believes that if the Town dredges the lagoon property then it could be used for a recreational facility. As the Town already owns the property there seems to be no reason to keep the appropriation. Ms. Levine disagreed stating that the money can be used to update and maintain the property once it becomes functional. Mr. Ballin added that if the Town decides to use the lagoon property as a recreational facility the Recreation Department's office could be moved down to the Wastewater Plant. No conclusion was reached.

3. Changing the Fiscal Year

Ms. Levine highlighted the idea of changing the Fiscal Year to end in June and start in July. If the Town decided to change the fiscal year then the Town Report for that year would actually include two years. Ms. Levine added that she believes this would be a good transition for the Town because Town Meeting would be voting on the budget in advance of the fiscal year and not three months into it. The most difficult part of this process will be educating voters, department heads and employees why and how the change will take place. Ms. Levine continued to say that one of the most significant changes to take place would be in the first year, as there would be an 18-month budget and three tax bills in one year.

Mrs. Blanchard asked if the June bills paid for the first half of the year. Ms. Levine said that was correct, but if the Town decided to change the fiscal year then there would be one big bill in November/December that would collect six months in arrears as well as six months in advance. From then on all payments would be advanced payments, unlike the past in which they were in arrears.

Mrs. Appel stated that she did not think that the taxpayers would be comfortable with the change. Ms. Levine agreed, and advised the Board that all of the Towns that have switched to this type of fiscal year have had tremendous backing from their financial departments. She added that a May Town Meeting would be very beneficial for New London. Mr. Ballin stated that yes; it would be good for the residents who come up from Florida for the summer. Mr. Ballin then asked if the Town could use surplus to off set the high second bill. It may help to persuade tax payers. Mrs. Fraley said that the surplus would still be needed to help out during the poor times of the year.

Chair Wilson said it is his belief that this switch will help the Town become more efficient. Mrs. Appel asked Ms. Levine to create a hypothetical situation; how would this change affect an owner of a \$400,000 house? Ms. Levine stated that the second bill of one year will go up 100 percent.

Mr. Kaplan asked how the state regulations regarding Town Meeting would affect this change. Ms. Levine said that this change fits within the state regulations for Town Meetings.

Mr. Weinstein asked Ms. Levine if she could create a paper that would outline the process of this change and how it will benefit the Town. It may help to sell the idea at Town Meeting. Ms. Levine added that the Board could sell it on an efficiency standpoint.

Chair Wilson made a motion to do more research on changing the Town's fiscal year; seconded by Mrs. Blanchard. The motion was approved with one vote in the negative. The Board asked Ms. Levine to come to the next meeting with a spreadsheet that shows the populations of the towns that have switched their fiscal year and how they funded their transition.

4. Current Year Budget and Expenditures to Date

Chair Wilson asked Ms. Fraley about the Town revenues. Mrs. Fraley said that the revenues are not as good as the Board had hoped they would be. While working on the MS-4, which helps to set the tax rate, we found there was less revenue mainly because of not doing the roundabout project. In turn we have less expense, but less revenue as well.

5. Selectmen's Update

- Colby-Sawyer - Mr. Kaplan advised the Board that Norm Bernaiche, Town Assessor, had walked through the Colby-Sawyer College campus and updated the assessment by about \$12 million. The College's tax bills will increase roughly \$60,000.
- Flow Study – The smoke testing is complete and now Flow Assessments, Inc., is completing the house-to-house inspections. Mr. Kaplan reminded the group that on a regular day the wastewater pump station sees 350,000 gallons of sewage, and when it rains that tally jumps dramatically to 1,000,000 gallons. Flow Assessments, Inc., will also be completing dye testing on the various roof drains.
- Parks Memorial – Mr. Kaplan stated that the Board of Selectmen will be dedicating the Elkins Beach Area to the memory of Lincoln and Anna Parks on September 29 at 10 a.m.
- New Committees – The Town of New London has created two new committees: the Solid Waste Committee who will meet on August 27 at 5 p.m. and the Energy Committee who will meet on September 10 at 7:00 p.m.
- Gravel Road Discussions – The first Gravel Road discussion will take place on Monday, August 27, at 7 p.m. The Board of Selectmen will discuss the priorities of the gravel roads, why they should or should not be paved, and the process that the road would have to go through to be ready for pavement.

6. Miscellaneous Business

Mr. Weinstein asked for an update regarding the mosquito testing. Ms. Levine said that the gentleman who had been hired never showed up. It is believed he did not show up because he was upset that the Town had not signed the full contract per his suggestion. We did not pay for services.

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

Kelsie M. Lee
Recording Secretary