

APPROVED
Town of New London
Budget Committee Meeting
February 9, 2009

Present: John Wilson (Chair), Connie Appel, Doug Baxter, Ann Bedard, Celeste Cook, Bob Meck, Noel Weinstein, Jim Wheeler, Barry Wright, Tina Helm, (Selectmen's Representative), Mark Kaplan (Selectman), Larry Ballin (Selectman)

Staff Present: Jessie Levine (Town Administrator), Carolyn Fraley (Finance Officer), Jason Lyon (Fire Chief), Sandra Licks (Library Director), Chad Denning (Recreation Director), Linda Hardy (Town Clerk/Tax Collector), Richard Lee (Public Works Director), Dave Seastrand (Police Chief), Amy Rankins (Land Use Coordinator), Linda Jackman (Administrative Assistant)

Also Present: Erle Blanchard, John MacKenna, Anita Gelcius, Michael Gelsius, John Chowanski, Michele Holton, Stanley Richards, Hank Otto, Peter Bianchi, Kathy Bianchi, Cheryl Fitzgerald, Shelby Blunt, Paul Mersen, Joan Sweeny, Hardy Hasenfuss, Chuck Curtis, D.J. Lavoie, Bob Lavoie, Paul Linehan, Salvatore Blanco, Jim Granger, Jack & Pat Sheehan, Tom Scully, Tom Ginter, Phil O'Brien, Frank Duffy, Judy Duffy, Laura Davis, Katherine Fischer, Larry Dufault, Mary Lou Dufault, Barbara Brown, Bruce Hudson, Renate Kamiler, Bob MacMichael, Howard Hoke, Nancy Stetson, Bruce Stetson, David Cook, Bill Helm, Doug MacMichael, Bill Andrews, Marilyn Andrews, Doug Homan

John Wilson called the meeting to order at 7:00 p.m. He announced that the meeting would be recorded and that he had rearranged the agenda to begin with the public hearing before starting the regular Budget Committee meeting. He stated the protocol for the hearing:

- 1) Questions/comments would be taken from individuals recognized by the Chair;
- 2) Each individual will speak for a maximum of two minutes per subject unless the Chair rules otherwise;
- 3) Each individual will state their name and ask a specific question/comment regarding the budget.

He went on to announce that the Committee would return to the regular agenda after the public hearing was closed, which would include a final deliberation and vote on the 2009 Budget. He stated that the public was invited to stay for that portion of the meeting.

He referred to the public hearing handout, which he summarized by saying that spending had been reduced which in turn reduced the anticipated tax burden for 2009. The reductions came from paring down programs and services that had been supported in better times. The Committee had produced an operating budget that was 5.1% lower than last year's and will result in a tax rate decrease of almost 30 cents per \$1,000 assessment prior to using any offset from the surplus. The cost of town services to the median taxpayer will be \$115 per month, down from \$125 per month last year. The general government portion of the Town Budget which represents 18.4% has decreased by 8.4%; public safety, which makes up 24.4%, increased by 2%; public works, which makes up 22.4% of the total budget, increased by 2.3%; solid waste decreased by 2%; and recreation department increased 2.5%; and Tracy Memorial Library decreased by 2%. The sewer budget paid for solely by sewer users shows an increase of 42%, the bulk of which is the result of a bond of \$385,000 to pay for New London's portion of the design fees for the upgrade of the Sunapee Sewer Plant, none of which affects the Town tax rate.

The Budget Committee trimmed almost \$250,000 from the funding of capital reserves, a very significant reduction. Capital outlay this year will be \$897, 650, mainly for the purchase of a police department vehicle, a six-wheel dump truck with sander, a backhoe, and an excavator, all of which were due to be replaced this year or next. \$150,000 of this amount will be used to renovate the basement of Whipple

Hall. All of these items will be paid out of capital reserve funds and/or federal funds and will not impact the tax rate in 2009.

Finally, John Wilson provided the following figures:

- 1) The Town portion of the tax bill is 29% of the entire tax bill;
- 2) The County makes up 19%;
- 3) The local school tax is 36% of the tax bill;
- 4) The statewide school tax is about 16%; and
- 5) About 48% of the operating budget is allocated to employee compensation and employee-related expenses

John Wilson asked if any members of the public had any questions or comments regarding the proposed budget.

Mary Lou Dufault asked why the taxes went up so much last year and John responded that the anticipated revenue was not what they wanted it to be and the Town was affected by the Colby-Sawyer College tax settlement. Jessie Levine stated that revenues were down and last year's budget was the first year that the Town had started payments on the bond for purchasing the New London Inn property, so there was an increase in bond payments. The Town had increases in building maintenance funds and an increase in capital reserve deposits by \$100,000. The Town had less surplus when it came time to set the tax rate due to budgeting tighter, so there was less surplus to apply against the tax rate and give back. Jessie Levine referred to page 9 in the handout, which showed how the surplus used in past years has been in the \$300,000-\$400,000 range and last year it was only \$100,000.

Peter Bianchi commented that the statement about a 30-cent decrease was misleading, because last year the tax rate was \$4.41 for the Town portion, so a 30-cent reduction would be \$4.11 but the handout states that the tax rate would be \$4.23. Jessie Levine said that he is comparing apples to oranges, using the 2008 rate after surplus and the 2009 rate before surplus. Peter Bianchi stated that nothing has been put aside to offset operating expenditures and he finds that disheartening because according to all budget meetings for this year's budget, there will be \$250,000 left of unencumbered monies. He went on to say that there will be \$701,000 surplus in 2009, and using the 7.5% surplus balance figure that the Budget Committee uses, that comes to only \$600,000 in reserve in addition to the \$250,000 surplus. He thought that the Town could put more money into surplus to offset taxes.

John Wilson responded that when this was brought up at the last January meeting, the Town Administrator looked into the comments in regard to anticipated surplus and did quite a spreadsheet on it that showed that there was not going to be that amount (\$250,000), that it would be around \$77,000. If the Town hypothetically ended up with a \$250,000 surplus, the Budget Committee in general is looking to keep 7.5% of the budget in surplus and anything above that would certainly go for tax reduction.

Jessie Levine stated that the use of surplus to offset the tax rate was the Board of Selectmen's decision and that is made in October. When she spoke with Peter Bianchi earlier today about the same subject, she told him that it was going to be her recommendation to the Board of Selectmen not to use any surplus this year because the budget is significantly lower and she thought the Town should save the use of surplus for a year when the Town needed it to reduce the tax rate. Last year the Town used so much surplus that they reduced the cash balance to about 6.5% of the budget. The Town usually needs to be at about 7.5% to avoid shortfall before the spring tax bills come in. She repeated that the decision does not get made until the Board of Selectmen set the tax rate in October.

Erle Blanchard asked if the Board was stating that they would not take more than 7.5 % if they had more available in the budget and would they recommend using that toward next year's tax bill. His concern was that they would be withholding more than was needed for the tax bill. Jessie Levine responded that she thought the entire conversation was premature, but that she would recommend not using any surplus this year even if it means that they have more than 7.5%. She said that there is a theory in financial management that they should not be returning surplus in the years that you don't need to so that you have it available for return in the years that you could use the offset. You use the surplus to try to level the tax rate rather than go up or down depending on what you have available.

Noel Weinstein asked Jessie to clarify some more about unencumbered funds. She stated that after the January 26 meeting, Erle had asked her to update the top ten unspent or under spent line items in the budget. When she did that, she actually listed the top 25 because there were over 25 that had over \$5,000 unspent. She listed those and noted for which line items the excess would stay in a capital reserve fund, which would stay in the sewer funds, and which were encumbered (meaning that they weren't spent in 2008, but had contract(s) or some other intent to spend it in 2009 and won't go into surplus). The difference after the January 26 meeting was that there are still some pending invoices, therefore while not an absolute number, at that time, the Town had \$517,000 unspent, and of that only \$77,000 would be considered surplus. The majority of unspent funds were in capital reserve funds; for example, the Master Plan update. The Committee had budgeted \$41,000 for it, but has only spent \$14,000 for this year, so that money stays in the capital reserve fund to be used in the future.

Jim Wheeler asked about the capital outlay on the warrant for the Schultz property. The warrant was for \$275,000 and the property was bought for \$228,000, so why does the balance (approximately \$47,000) stay in the capital reserve fund and not be returned to the taxpayers? Jessie responded that the capital reserve fund was opened for the purpose of conservation land and only Town Meeting can authorize the expenditure of it. Unless the Town closes capital reserve fund, any unspent monies stay in that fund. The capital reserve fund saves that money for use in the future (such as to purchase other conservation land projects).

Ann Bedard asked if there was a date where the Town stopped encumbering, recovering and/or accepting funds and Carol Fraley responded that the bills, revenues, and vouchers keep coming in and have to be applied appropriately. Jessie stated that the Town has not encumbered any new monies since about or the middle of January, so that has not changed, but the accounts payables/receivables take a couple of months to balance out.

Erle Blanchard asked about the overspent items in the budget (i.e. repairs for Tracy Library), wanting to know how and who pays for the overage(s). Jessie stated that money being spent on the Tracy Library building is coming out of the capital reserve fund for Tracy Library repairs and the Board of Trustees and the Board of Selectmen jointly are agents to expend by authorization of the Town Meeting. There are more monies being spent due to emergencies throughout the year and that means more is being spent out of the capital reserve than they had hoped to spend. However, that does not affect the tax rate, as it comes from a capital reserve fund.

Jessie deferred the floor to Sandra Licks, Library Director, to speak about how the money was actually spent. Sandra Licks stated that last year the amount spent on repairs was \$70,000 and the amount that came out of the Town Report was \$25,000, which she felt was a typographical error that had never been updated, whereas this number going in, \$96,500, they were much more sure about (after having spoken with the contractors). She went on to say that they were hoping this was the last year for any big hits to bring that historic building up to code. She said that they are still wrestling with some basic fundamental issues about things that will be serviceable in the coming years. Doug Baxter added that after having toured the building, the Committee(s) came away with the feeling that the Board of Trustees had done

their homework in the last 12 months and had gotten a handle on it by getting the correct professional advice on what that building needs.

Erle Blanchard stated that it appeared from the figures that there wasn't enough thought process going into it and he wanted assurance that the Committee(s) did have control of this. Sandra responded the first year they were uninformed about the actual needs and underestimated the costs, but this year the figures are more dependable due to the professional estimates by the contractors and that they had a schedule in place to control the expenditures.

Peter Bianchi stated that he had specific recommendations for changes in some line items. First, he referred to the highways and streets budget, and pointed out that last year the department had \$322,000 budgeted and encumbered \$164,000 and this year they had budgeted \$259,000. With these four items, next year the Town would have \$423,000 to spend and he thought this would be a good spot to take monies to offset the tax rate; and second, under executive administration, he suggested eliminating the increase of a part-time position to a full time position. He thought the Budget Committee could make appropriate cuts in these two areas.

Dave Cook stated that the Town had indicated lower expectations for revenues (i.e. car registrations) with no discussions on income from services, which were down by \$50,000 for the 2009 budget. He asked for an explanation. Jessie Levine clarified that he was talking about income from departments and she added that it was partially the result of lower dispatch fees that they charge back to their customer towns (New London pays 65% and other towns pay 35%), and lower recycling revenues. Dave asked if this was a deliberate decision by the Selectmen to change services and Jessie responded that services had not changed and they were still using the same formula for dispatch fees, but because the Town's budget is down, the customer towns' fees would be down as well. Jessie Levine added that the recycling portion in the past had made money for the Town, but now it was costing the Town money to dispose of recycled goods (although it was still cheaper than transporting to the landfill).

Marilyn Andrews commented that she didn't see any reason to spend \$100,000 to fix up the cellar of the Whipple Memorial Town Hall just because the Town had a capital reserve fund and she thought the Town should be tightening up on the budget in these types of areas.

Hank Otto commented that they should get a consensus of what the townspeople wanted (by a show of hands). He then suggested that the budget should be level-funded. Doug Homan proposed that the Committee cut the budget by 5% across the board, not hire new employees, and put a freeze on expenditures. Mary Lou Dufault commented that the Town could not keep spending, increasing taxes, and giving salary increases. John Wilson pointed out to all that the operating budget had been cut by 5.1% (lower than last year's budget), the Capital Improvements Program was cut by almost \$250,000; \$897,000 in capital outlay is money being held in capital reserve for the heavy equipment expenses and when expended, would not increase the tax rate because the money is already there for that expenditure. He went on to say that he wanted everyone to understand that they had used prudent judgment and cut considerable amounts from the budget.

Stanley Richards commented that if the Committee believed there should be some salary merit increases, then they should consider layoffs as well in order to offset those increases.

Shelby Blunt commented that it was unfair to ask the townspeople to supply the merit increases to the Town employees when some of those townspeople were being laid off or having cuts made to their salaries. Pat Sheehan stated that she thought the 2.5% increases were very fair, that half the people in this room collected Social Security and they had an increase of 5.7% in their checks this year. She stated

that she spent many hours a week as a volunteer working in the Town Office, and the work the employees do for the town is first-rate. She urged the Budget Committee to give the Town employees the increases.

Bob MacMichael commented that the Town had never said no to anyone for anything and he felt that the Budget Committee should be serious about cutbacks and try to get along with what it had. He stated that he is sure the departments will react to his comments, and he does not want a driveway full of snow or a speeding ticket, but he felt like he should share what is on his mind.

Jack Sheehan asked how secure the projected \$467,000 of federal grant monies for 2009 were. Jessie responded that the safest revenue on the budget was the Safe Routes to School grant money, which are dedicated federal highway funds that have already been allocated to New London and the Town will receive them as soon as it starts the work on building new sidewalks to the school. The other revenue in that category -- shared revenue from the State, primarily the Town's share of meals and rooms tax and the highway block grants -- are safe for 2009, but are potentially on the table for the governor to close future expenditure gaps. She and Larry Ballin are on the New Hampshire Municipal Association legislative committee that is trying to protect what the towns already get and will be fighting this pretty hard, but there is the potential that they may lose some of those block grants (which would require legislative change) for the coming year.

Jack Sheehan stated that he did not understand the philosophy behind the sidewalk grant money because most of New London children were driven to school. John Wilson responded that the Town had \$180,000 in allocated funds both in the capital reserves and through the government program to do the sidewalks and asked Jack if he was suggesting that the funds be redirected or, going forward, should the Town be looking to spend their money on something other than sidewalks. Jack responded that in his opinion, the money would be more effective buying new equipment or redirected to the Highway Department, but not use it on sidewalks.

Jessie Levine pointed out that on the handout of the draft warrant, Warrant Article 10 showed all of the capital reserve funds from last year that were not being funded this year. Jack responded that if you look at page 5, it states that there is a deposit of \$465,250 into the capital reserve fund and he suggested freezing the budget and using the current reserve for operating funds. John Wilson stated that the Committee had cut almost \$250,000 off the budget and the question was at what point does it become imprudent to cut to zero.

Phil O'Brien asked what effect the federal stimulus money would have on the wastewater treatment plant. Jessie responded that at this point it appears that any money received would be a loan, but they are tracking it closely and hope it can be applied to the \$385,000 in the budget for the design of the upgrade and also hope during the course of the year, funds will become available for the construction of the upgrades, which will be next year's warrant.

Tom Scully asked about the funding for the assistant to the Recreation Director and Jessie responded that the position would be paid for out of the Recreation Revolving Fund, which are user fees approved by the Town Meeting in 2005 and is a self-sustaining program, not part of the budget. The assistant is necessary because the director is not always in the office when the parents come in to register their children for the programs. Jessie Levine said that information was contained in her memo to the Budget Committee on January 8.

Chuck Curtis said that unlike a number of people in the room tonight, he had attended almost every one of the Budget Committee's work sessions throughout the year, and he thought the Committee had done an excellent job of parrying down the budget and identifying priorities.

With no further questions asked or comments from the public, John Wilson **closed the public hearing** and went on to the Committee's regular meeting.

The minutes from the meeting of January 26, 2009 were approved with the following corrections:

- page 2, paragraph 2 - finishing the sentence "The \$7.6 million included the \$540,000" to include "in design fees." and the insertion of a comma after "Town Meeting"
- page 3, paragraph 2 - insertion after "One of his tenants has lost her job and" to include "cannot keep her apartment"
- page 4, paragraph 4 - include "are" in second line, line seven, two commas inserted
- page 5, paragraph 4 - confirm that Jim Wheeler did withdraw his motion
- page 6, paragraph 1 - remove the word "and"; paragraph 4 - correction of spelling for 'reduction'
- page 8, paragraph 7 - remove the third and fourth sentences and replace with 'at the hearing, the line item that contained the three executive positions will be voted upon'.
- page 9, paragraph 1 under Selectmen's Update - change 'endorsement' to 'permission'
- Under Other Business - delete 'following' and 'seen'
- page 10, paragraph 3 - insert 'he' and 'was' in the second line
- paragraph 4 - delete 'what he sees out in the community' in the beginning of the 1st sentence
- page 11, paragraph 2 - delete 'there was' and 'the' in the third sentence and one typo correction for an extra comma

John Wilson asked Jessie to walk the Committee through the changes made to the budget since the January 26 meeting, which she did, as follows:

Acct. Name	Original Request	New Request	Difference	Reason
Employee wages and benefits	2,097,144	2,031,215	-65,929	Reduction of salary budget from 4% to 2.5% increase in 2009
Employee Raises	0	41,800	41,800	Actual cost of 2.5% average raise across all departments
Planning Board-Planner	20,000	20,600	600	Per Budget Committee discussions on 1/26/09
Planning Board Advertising	1,900	1,300	-600	Per Budget Committee discussions on 1/26/09
EM-Travel & Meals	200	100	-100	Reduction to closer match annual expense
EM-Conferences & Training	200	100	-100	Reduction to closer match annual expense
EM-Hazmat Team Fee	2,000	0	-2,000	HazMat Team has waived fees for 2009 in recognition of budget crisis
Transfer Station-Waste Disposal Incinerator	153,600	135,000	-18,600	In 2008 we tipped 2625 tons; this estimates 2800 tons
Energy Committee-Meetings & Expenses	1,150	900	-250	Reduction to closer match annual expense
GGB-Sewer Building Electricity	63,800	55,000	-8,800	Reduction to closer match annual expense
Sewer Wages	65,000	48,100	-16,900	Reduction to closer match annual expense
Sewer-Overtime Wages	15,000	20,000	5,000	Increase to closer match annual expense
Sewer-Employer FICA & MedFICA	6,120	4,100	-2,020	Reduction to closer match annual expense
Sewer-Payments to Sunapee	385,000	400,000	15,000	Sunapee's budget increased and therefore our contribution increased
CO-Improvements-Sewer-Sunapee Plant Upgrade	0	385,000	385,000	Bond for design of Sunapee WWTP
Total Appropriation Changes			332,101	

Minus offsetting projected Revenue - bond			-385,000	
Minus Sewer user fees to cover changes in sewer budget			-1,080	
Net change to budget			-53,979	

Jessie stated that as a result of the decreases in raises from 4% to 2.5% and because of the request by the Budget Committee and consideration by the Selectmen to allocate raises targeted at certain positions rather than across all department positions, she asked Carol to go back to the old format of reporting the raises in the budget as a single line item, which will be \$41,800. Her point in doing that was it would be inaccurate to put for instance a raise next to her position if her salary would remain flat, and that would apply throughout the whole budget; if we're going to be targeting certain employees, it doesn't make sense to spread the raise line out over all of the departments. She went on to say that she would provide the Committee with the results of the raise allocation so they would have that information, and it would appear in the following year's budget.

The changes reflect the conversation with the Planning Board regarding the Planner and advertising budgets. She said that she went through again and knocked out some money from the budget that wasn't spent like in the Emergency Management Department. Also in Emergency Management, Jay Lyon informed her that because of the economy, the Hazmat Team had decided to postpone fees this year, so that was a \$2,000 savings. She, Carol Fraley, and Richard Lee took a closer look at some of the Transfer Station expenses and reduced the budget further. She trimmed a little bit from the Energy Committee and tightened up the Sewer budget. Notably, sewer building electricity is coming down due to the inflow work that the Public Works Department has done repairing manholes, which is decreasing the runtime for the pumps. She thought that was a success story worth noting. She stated that sewer wages could come down because the Highway Department is not augmenting the Sewer Department time as much as expected.

She went on to say that payments to Sunapee in the sewer budget went up because Sunapee's budget increased by 12-13% this year and that New London has been sending about 70% of flow to Sunapee, so \$15,000 was added to the budget.

Overall, since the last meeting, Jessie Levine said there was an increase of \$332,000 to the budget, but taking out the bond, it totaled a net reduction of \$54,000.

Jim Wheeler said that he is concerned about her decision to return to the single line reporting of wage increases, and that a lot of people wanted to see what the department heads and executive administration were making in true wages. Jessie reiterated that she would report back to the Committee how the wages were allocated so that they will have that information, but she did not recommend having it by department in the budget because it would be inaccurate. She added that the budget document itself cannot be changed after Town Meeting because this is the budget that is filed with the state by February 23. Because certain positions were being targeted, it wouldn't show until next year what each position was making in 2009, when the Town developed the 2010 budget.

She went on to say that the actual dollar amount allocated to raises went from \$72,000 to \$41,000, but there was also the reduction of the FICA, retirement contributions, and all of that comes down also.

Jim Wheeler asked for a breakdown of Executive full time wages into 3 line items so that everybody can see what each of the current employees make. Connie Appel asked what purpose it would serve to see what the executive salaries were and Jim responded that it would give a comparison to other town executives' salaries. Bob Meck stated that that information was available on public record. John Wilson

stated that the Zoning Administrator position was problematic for some people. Jessie responded that it wasn't the salary so much as the increased hours that seems to be of concern. Jim Wheeler responded that that might have precipitated the discussion, but it was not his motivation for asking the question. He went on to say that of all the substantial salaries, those were comingled and he wondered why. Carol Fraley pointed out that staff salaries were comingled for every department, including the Highway Department and Police Department.

Jessie Levine said that the Budget Committee charged the Selectmen with looking at all salaries and balancing it out where they can this year and that it was not the Budget Committee's role to do so. Their job is to review the budget and propose a budget to Town Meeting. It was the Board of Selectmen's job to determine who gets paid what. John Wilson stated that he would take issue with that, he believed that it was the Budget Committee's job to seek value and if there is a position in their minds that is not as valuable as some people perceive it to be, then they ought to address that, so he did think it was their job to check and balance that. Larry Ballin asked if John Wilson was suggesting that they re-open the wage study that was completed last year and re-form that committee again for next year? He stated that that was a tedious process and everybody at the end thought they were just re-inventing the wheel with it. John responded that was not the intent of the discussion.

John Wilson said that he heard five major themes in the public comments and anyone wanted to discuss an item, they should make a motion to do so.

1. Whipple Basement Renovation: Bob Meck stated that he thought the townspeople had been invited to inspect the basement earlier in the year and Jessie responded that only the bidders from the required bid meeting were given a walk-through and that part of the reason for having the meeting here tonight was that if this became an issue, the townspeople could go downstairs and see the condition of the basement. She suggested that the Budget Committee could do that now and see the condition it was in, but they deferred. Tina Helm stated that there was one suggestion made that being that it could wait; she got the sense from tonight that it was not going to pass, it was not a popular issue at all, and even with the explanation of expecting the FEMA funds, perhaps they should wait until they received the FEMA funds, put them in capital reserve, and then they would truly have the money right there. Jessie stated that if they did that, the Town Meeting would have to vote to take the funds out of surplus in 2010 and put it in capital reserve, so it's not an easy proposition to do it that way. She went on to say that they were restoring the training space and the evidence storage because the trailer has been sitting in the driveway for three years. She didn't mind risking Town Meeting voting it down and then bringing it back next year, but she did think they should have the opportunity to bring it to Town Meeting.

Connie Appel wanted to discuss the breakdown of costs that would also include the volunteer work and Jessie stated that originally there was \$400,000 in the budget. They received two bids: one from Bruss Construction for \$320,000 and a lower one from a company that had not attended the mandatory walk through. Bruss worked with the Town to revisit the bid to see what work could be done by the Town, what could be saved in materials, and so on, and they whittled it down to \$150,000 which does include quite a bit of volunteer labor from the Police Department. She added that taking it out of the budget won't lower the tax rate and that was the same for all the proposed Capital Expenditures in the budget.

Doug Baxter and Connie Appel agreed that perception was the main problem and Connie stated that a visual financial breakdown of the FEMA funds and the volunteer labor would help people's perception the way it did when the Town showed them the visual plans for the roundabout last year. Jessie responded that they could still do an open tour day (as Carol had suggested).

John asked if anyone wanted to re-open this subject for further consideration and there was no affirmation of that.

2. Zoning Administrator: John asked if anyone wanted to re-open the Zoning Administrator position and again there was no movement for that.
3. Encumbered Funds: John asked if anyone wanted to re-open encumbered funds and there was no affirmation for that. Jessie stated that as a point of order that was a function of the Board of Selectmen as well. John responded it was for value and they did have control over unencumbered funds.
4. Capital Expenditures: Doug Baxter commented that he had taken notes during the public input portion and there had been some dissent on capital expenditures and he thought they should discuss that. John Wilson asked if anyone wanted to re-visit Capital Expenditures and there was no affirmation of that.
5. Employee Raises: John went on to ask if anyone wanted to re-open raises and there was no affirmation of that.

John asked if anyone had any other concerns or deliberations about the budget. Jim Wheeler asked for clarification of the projection on the surplus. Jessie gave a summary: in 2008, they appropriated (not including sewer because anything unspent stays in the sewer fund) \$7,999,834 and expended \$6,667,001. For revenues, they had projected \$2,747,682 and collected \$2,582,256. They raised by taxes (based on budgeted revenues) \$4,352,000 but the expenses were \$4,084,000.00, leaving a net of about \$250,000. Then there were \$126,000 in encumbered funds and projected accounts payable outstanding of about \$50,000, leaving a projected surplus at year-end of \$191,000. This meant that they raised more taxes than they needed to cover expenses.

Jim Wheeler asked if the Town still owed \$50,000 in bills to be paid and Jessie responded that some of that was money that was capital reserve funds that had not yet been transferred. Jim stated that at the last meeting, Carol had said \$250,000 in surplus, but she replied that it had dwindled some since then and Jessie said that they had received a bill today, for instance, that was outstanding and had to be paid. She said also that yes, there probably would be from \$100,000 to \$150,000 in surplus to get them to 7.5% of the budget.

Jessie Levine said she had two items of business before the Budget Committee voted on the budget: 1) the warrant calls for re-authorizing two non-lapsing funds that were opened five years ago and are set to expire -- the Archives non-lapsing fund for ephemera for \$3,000 and the disease prevention fund that Don Bent asked for, in which \$5,000 had been set aside in the event that he needed to do something on an emergency basis for public health reasons. Both of those are set to expire and in the course of writing the warrant, the Town has to appropriate the monies on the budget side. These will be offset by the revenue from these funds, which will be used to reauthorize them. The second item was a request that came in today from the Community Alliance of Human Services (an organization in Newport that serves youths in Sullivan County), which has asked for a contribution of \$500 to help them continue to provide quality services to residents by providing an avenue for the courts to avoid costly criminal prosecutions and to provide an alternative for prosecution of youths who have been involved in criminal activities (first-time offenders). She called the contact to say that the Budget Committee was meeting tonight and would probably turn down their request because for first-time requests, they refer to the warrant petition article, but she felt that she should bring it before the Committee because it was too late for petitioned articles this year.

John asked if anyone wanted to make a motion to fund that and Barry Wright responded that he moved they decline the request for funds and Celeste Cook seconded that motion. The motion was approved unanimously.

John Wilson asked to proceed with voting on the budget. Ms. Levine read the expenditures as follows:

Line 4130, Executive, \$349,581.00
Line 4140, Elections, \$72,184.00
Line 4150, Financial Administration, \$260,926.00
Line 4152, Evaluation of Property, \$81,500.00
Line 4153, Legal Expense, \$25,103.00
Line 4155, Personnel Administration, \$131,136.00
Line 4191, Planning and Zoning Board, \$36,905.00
Line 4194, General Government Buildings, \$194,197.00
Line 4195, Cemetery, \$43,760.00
Line 4196, Insurance not otherwise allocated, \$88,151.00
Line 4197, Advertising in Regional Association, \$15,284.00
Line 4210, Police Department, \$856,322.00
Line 4220, Fire Department, \$278,490.00
Line 4221, Board of Firewards, \$594.00
Line 4290, Emergency Management, \$10,836.00
Line 4299, Dispatch, \$316,090.00
Line 4311, Highway Administration, \$795,798.00
Line 4312, Highways and Streets, \$536,900.00
Line 4316, Street Lighting, \$14,000.00
Line 4324, Transfer Station, \$385,729.00
Line 4325, Solid Waste Cleanup, \$18,150.00
Line 4411, Health Department, \$13,341.00 (\$5,000 disease prevention non-lapsing fund)
Line 4415, Health Agencies, \$116,420.00
Line 4441, Welfare Administration, \$1,865.00 (Celeste Cook abstained from that vote)
Line 4444, Intergovernmental Welfare, \$3,809.00
Line 4445, Welfare Vendor Payments, \$13,000.00

Ann Bedard asked to stop and vote for the line items after Welfare Vendor Payments.

Appel - yes
Baxter - yes
Bedard - yes
Cook - yes, but abstained from 4441
Meck - yes
Weinstein - yes
Wheeler - yes
Wilson - yes
Wright - yes
Helm - yes

Line 4520, Parks and Recreation, \$151,654.00
Line 4550, Tracy Memorial Library, \$460,350.00

Ann Bedard asked if that was the entire Library expenditure and Jessie responded that was the gross figure but was offset by gifts.

Line 4583, Patriotic Purposes, \$300.00
Line 4589, History & Archives, \$5,765.00 (includes the \$3,000 non-lapsing fund)
Line 4611, Conservation Administration, \$13,664.00
Line 4612, Energy Commission, \$900.00
Line 4619, Other Conservation, \$5,000.00
Line 4711, Principal, Bonds and Notes, \$163,597.00
Line 4721, Interest, \$86,464.00
Line 4902, Capital Outlay Vehicles, \$422,650.00
Line 4903, Capital Outlay Buildings, \$246,500.00
Line 4909, Capital Outlay Improvements, \$228,500.00
Line 4915, Transfers to capital reserve, \$465,250.00

Sewer Department appropriations, \$1,218,240.00 (that includes the bond)

Total budget of \$8,129,102.

Appel - yes
Baxter - yes
Bedard - yes
Cook - yes
Meck - yes
Weinstein - yes
Wheeler - yes
Wilson - yes
Wright - yes
Helm - yes

Carol Fraley gave the chair a copy of the year-end account transfers and asked budget members all to sign the MS7 (the budget filed with the State).

John Wilson asked for a report from the Selectmen and Tina Helm provided the following:

- Norm Bernaiche gave presentation on assessed values for the town, which is reflected in the minutes for the Board of Selectmen meeting on February 2, 2009. The overall Town is performing well and assessments are still lower than sales and there is some concern about Hilltop Place. The median assessed value is 88.3 based on valid sales.
- There is a state law RSA 261:53 which allows the towns to raise up to \$5.00 per motorized vehicle registration and to allow these funds to be used for roads, bridges, and parking. After discussion at both the regular board meeting and with the Citizen's Advisory Committee, the Board of Selectmen voted that the Town accept the \$5.00 motor vehicle registration fee. It will be presented on the warrant for the Town to vote at the Town Meeting in March.
- It was brought to the attention of the Selectmen there are approximately 360 copies of Ann Page Stecker's *History of New London*, which remain unsold. Originally they were sold for \$30.00, but they can now be available for purchase at the Town offices for a reduced price of \$10.00. As well, it was suggested that copies be donated to the Library book sale, and that perhaps realtors might like to purchase copies to give as gifts to their clients. They will also available for sale at Town Meeting on March 11.
- The Board of Selectmen met with people from the Lake Sunapee Rowing Club about the potential use of Bucklin Beach. Because of the concerns about the proposal, the Board of Selectmen will hold a public hearing on the subject after Town Meeting; the dates March 16th and 23rd have been suggested.

- The Selectmen will not be meeting on Feb. 16th or Feb. 23rd, but will have a meeting on Thursday, February 19 at 8:00 a.m. in the Town Offices. That meeting will be the public hearing of the bond issue and the motor vehicle fees to be presented to the Town at Town Meeting on March 11. At this morning's meeting, the Selectmen reviewed the draft of the Town Warrant. Filings for Town elections were closed on January 31, 2009 and the following candidates have submitted their names:

Selectman (for 3 Years)

Mark Kaplan

Selectman (for 2 Years)

Christina M. Helm

Treasurer (for 3 Years)

Stephen R. Theroux

Town Clerk (for 3 Years)

Linda M. Hardy

Trustee of Trust Funds (for 3 Years)

Malcolm K. Wain

Tracy Memorial Library Trustee (for 3 Years)

Marta M. (Ki) Clough

Susan A. Crawford

David Harris

Bruce J. Parsons

Budget Committee Member (for 3 Years)

Keith J. Pomkoski

Connie Appel

Douglas Baxter

Kathleen Bianchi

Supervisor of the Checklist (for 5 Years)

Elizabeth Klingler

Marie Rossachacj

Cemetery Commissioner (for 3 Years)

Thomas Ginter

John Wilson stated that he was distressed by the \$5.00 motor vehicle registration fee; he thought it was inappropriate and insensitive even though it was the Selectmen's decision. Tina Helm responded that it was not actually the Selectmen's decision but would go to Town Meeting, and John interjected that it was their decision to put it on the warrant. Larry Ballin stated that it had been discussed at the Citizen's Advisory Committee meeting and there wasn't any hue and cry there about it. He felt it was a pretty painless way to raise revenues and said that they would welcome any recommendations for raising revenues that the Budget Committee might have.

Doug Baxter commented that he didn't understand why he had to pay money to dispose of a TV, but didn't have to pay for dumping a refrigerator and he thought that there should be a charge for those types of things as it created a hardship for Richard and his employees to dispose of them. Larry agreed with

Doug and stated it was because of the mercury and lead content in computers, laptops, and television screens. He suggested that they look into pay-as-you-go programs in the future.

Jessie commented that with fees like the \$5.00 motor vehicle fee, you had to hold a public hearing and it had to go to Town Meeting, but fees for solid waste disposal could be set by the Selectmen. Both Jessie and Larry thought that was a good idea which could be done.

Tina Helm stated that she wanted to respond to the concern about the motor vehicle fee being bumped up and reminded the members that it would have to go to Town Meeting and be voted on before that could happen. Mark Kaplan stated that it was his understanding that the revenues could be used for roads to keep them in good shape and that \$5.00 or \$10.00 a year for two vehicles, was not overly excessive. Jessie interjected that the hope was that once it had accumulated a fund, they would be able to ask for less money for paving gravel roads or sidewalks and to offset monies they were already spending. John Wilson asked if it was going to be an offset, why did they get it in the first place? Why not just take it from taxes? He said it seems circuitous. Jim Wheeler agreed with John and said that he thought it was politically risky. Mark Kaplan stated that there were certain expenditures that were necessary to keep the town running the way it should and this was the type of thing that should go to Town Meeting. He thought in the final analysis that the townspeople will vote to keep the town the way it is and he didn't see anything wrong with it.

John Wilson asked if anyone had anything else to say in regard to the Selectmen's report and there was nothing. He then stated that they had to set their next meeting date. His suggestion was that they have a procedural meeting in May when they have new and returning members and can set their agenda and dates for the fall at that time and discuss how they will do departmental visits and similar type things. All agreed on Monday, May 18, 2009 as the meeting date.

John stated that he would like to recognize Barry Wright for the years that he's given to this Committee and the fact that he came out of retirement when they needed some experienced help and they appreciated so much what he had given to them, the steadiness and the knowledge. Everyone applauded Barry Wright. John Wilson also thanked the Committee and felt that they deserved a pat on the back for the way they handled it all. He stated that they had been conscientious and their attendance was extraordinary and he appreciated it. Jessie suggested that the Department Heads should also be thanked for their input as well.

Motion to adjourn was made at 9:23 p.m.

Respectfully submitted,

Camille Holmes
Secretary, Town of New London