

TOWN OF NEW LONDON  
BUDGET COMMITTEE  
JULY 18, 2007

PRESENT: John Wilson (Chairman), Connie Appel, Larry Ballin (Selectman), Doug Baxter, Pat Blanchard, Carol Fraley (Finance Officer), Mark Kaplan (Selectman *ex officio*), Jessie Levine (Town Administrator), Bob Meck, Noel Weinstein, Jim Wheeler, Barry Wright.

John Wilson called the meeting to order at 7 p.m., and the Budget Committee addressed seven areas of business.

1. Minutes – July 13, 2007

Barry Wright moved to accept. Doug Baxter seconded. No further discussion. Motion unanimously approved.

2. Personnel Subcommittee Report

Barry Wright reported that the Personnel Subcommittee met on July 16, and after studying the data sheets provided in the Budget Committee's packets, agreed that the mid-points of New London's salary structure compare favorably with the midpoints of those Towns selected by the Departments for comparisons. 105% of New London's employees' salaries exceed the average high points, due to the length of their terms of employment in New London.

He went on to say that the Personnel Subcommittee feels it should adjust the midpoints with the cola every year and set a percentage above the midpoint for merit raises, giving department heads latitude to increase employee salaries by any percentage up to that set number. The Personnel Subcommittee agreed that the Town should review the ranges for the positions every five years.

He reported that the Personnel Subcommittee did not discuss at length the situation with the long term employees but agreed to let the Board of Selectmen and Town Administrator deal with those as exceptions.

Noel Weinstein said he would agree that the salaries are pretty much in the middle except for Public Works' salaries that are on the low side, and he agreed that New London compares favorably in health and dental benefits. He noted, however, that New London allows the highest number of vacation days to be carried over. Jessie Levine said, but the Town cut the number of sick days. John Wilson agreed that the average Town gives 12 sick days, and New London gives 7, but, he said, if you subtract that five from the vacation days, New London's number is still high. Connie Appel pointed out that when you look at the number of days that are allowed to accumulate, New London is on the low side.

She asked Bob Meck how the federal government administers leave time. Bob Meck said the federal government allows four hours per pay period during the first five years—that's one day

per month or twelve per year. After five years, the number is increased to eight hours per pay period.

Doug Baxter asked how the vacation policy was set. Jessie Levine said it was developed in 1994, updated in 1997 and again this past January. The Board of Selectmen and Department heads worked on it together for over eight months.

Regarding vacation time, she added that the Selectmen and Department heads found that it was difficult to recruit (experienced) new people to fill positions if the Town only offered two weeks vacation to start.

Regarding sick days, she pointed out that in reducing the number to 7, and increasing the leave time, they would be reducing the frequency with which people call in sick for personal days or other reasons. An employee who is out sick more than three days must provide a doctors note. On the other hand, they felt that employees who do not call in sick at all should have some benefit. The new policy allows an employee who has reached maximum accumulation for use as sick days (30), to receive at year end, 50% pay back for unused sick time above 30 days or convert that time into leave time at a rate of one vacation day for every three unused sick days above 30).

If one becomes sick for a long period of time, the Town does have short and long term disability insurance. Barry Wright asked when the long-term disability would kick in. Jessie Levine said if an employee is out sick for six weeks, long-term disability insurance will kick in.

Doug Baxter suggested that New London's is a rich plan compared to private sector, and thus may be subject to some criticism from residents. He recommended that the Budget Committee and Selectmen be prepared with an explanation of it. He questioned the rationale for the 17 vacation days for starting employees. Larry Ballin agreed, saying that two weeks vacation time is standard for entry-level employees.

John Wilson pointed out that by the time an employee reaches his/her fifteenth year of employment, he will be earning 32 vacation days. Added to the 7 sick days, that's eight weeks of potential time off per year. If a department has a staff of eight, that's a loss of one man per year. Jessie Levine said that before the most recent update, that number would have been 35 days. And she pointed out that departments do not have employees all at the same level of time served.

Noel Weinstein expressed continued concern about the number of days allowed to be carried over. With New London's current policy, an employee can carry over as many as 45 vacation days and 30 sick days. Jessie Levine said that is only for the highest level—20 years seniority. Noel Weinstein suggested that the Town adopt a policy requiring that employees use vacation time every year, except for reasons that are administratively approved. Jessie Levine said they do want to encourage employees to take their vacation time, but are cognizant of occasional staffing issues, or personal reasons for their not doing so. Noel Weinstein urged the town to make that encouragement more rigorous.

Larry Ballin asked at what rate the accrued leave time is paid out for outgoing employees. Jessie Levine said at the rate at which employees are paid at the time they leave. Larry Ballin pointed out the problem with that—an employee earns leave time early in his tenure at the lower rate of pay, accrues it over the years, and upon going out, is paid for it at the later, higher rate of pay. Noel Weinstein said that is one of two reasons why the Town should eliminate the carry-overs. The other reason is that individuals need time off.

John Wilson agreed that carry-overs result in a build up of liability. His experience in the private sector was that 5 well days were allowed per year. They could be used for sick days, and if not used, the employee would be paid for those. There was no carry over of vacation days.

Barry Wright observed that his experience in the private sector was that employees earned two to four weeks vacation, with seven personal days, and those could be carried over until the end of the first quarter of the next year. At that point, the employee would lose the unused leave time, unless authorized to continue carrying it. The authorization would be at the discretion of the department head. He acknowledged that in the public sector, it is more traditional to allow a build up. He added that at this point, the Town cannot take away employees' accrued leave, but he would not like to see it grow.

Pat Blanchard asked if there has been any comparison to policies in the private sector. No, not at this time. Connie Appel said it makes more sense to compare the Town employees with other government employees.

Mark Kaplan asked if there have been any reactions from employees to the new leave policy. Jessie Levine said that as far as they know, everyone is happy. She pointed out that they did add two levels to the number of vacation days people earn as they work longer for the Town.

Larry Ballin said the Subcommittee should delve into this further. Barry Wright asked what more the Subcommittee can delve into. It can't take away the accrued leave time; it can only make recommendations to the Board of Selectmen for going forward. His sense is that no one wants to increase this. It is at a fairly high level now, as compared with other towns.

Jessie Levine said the biggest issue is the Towns' liability for the accumulated leave. Larry Ballin said the Town will have to budget for that.

Jessie Levine said at the next meeting of the Personnel Subcommittee, members will have in hand a new spread sheet for salaries based on ranges, as discussed above. And she suggested at that meeting they can also look at the leave accumulation question. Bob Meck suggested there are really two leave time questions that the Personnel Subcommittee needs to look at: (a) the issue of accumulation, and (b) the fact that the number of days allowed per year is too high in the later years of employees' tenure. John Wilson added that the Subcommittee should also look at how sick days could be treated.

Larry Ballin asked how many paid holidays there are. Jessie Levine said eleven, and that is consistent with other towns. She said they will add the paid holidays to the spread sheets.

In response to question about insurance, Jessie Levine again reviewed the three pools available Local Government Center (carries Anthem health insurance), Primex (carries Harvard Pilgrim), School Care (carries Signa). In a previous year, the Town has raised employees' co-pay. Another year, it raised the percentage of the premiums that employees pay. The Selectmen have met with employees in past years to determine what is most important to them. She added that only LGC and Primex offer the three types of insurances: health, property liability and workers compensation, and the Town gets a better deal by subscribing to all three under the one carrier (New London uses LGC.) Larry Ballin said the Personnel Subcommittee has discussed this, and did not see an advantage in going in a different direction. Jessie Levine said they will still continue to look at HSAs, and will look again at the current health insurance plan when it is time for renewal.

### 3. Scheduling

Jessie Levine reviewed the CIP Committee's schedule, and the Budget Committee agreed that the departmental subcommittees will schedule meetings by email, and also agreed that it would be useful to have those meetings before the CIP begins meeting.

The balance of the Budget Committees' meetings were scheduled and will be posted on the web site. John Wilson noted that as agreed previously, departments must have their proposed 2008 budgets in before the Budget Committee's December 12 meeting.

### 4. Current Expenditures/Revenues to Date

Under expenditures, Connie Appel noted that other than fuel, things look fine. Bob Meck asked how heating oil is purchased. Carol Fraley said the Town buys it at a pre-agreed upon price, but pays as it goes.

Regarding Revenues, Carol Fraley said by the next Budget Committee meeting, she will have more closely reviewed the year's revenues, in preparation for Selectmen's deliberations on the tax rate.

Jessie Levine reported that Bradford has decided to no longer use New London dispatch. That is a loss of \$25,000. On the other hand, Sunapee has begun to use New London dispatch, though they had already been using New London dispatch for fire and rescue. Bradford had a higher number of calls though, and when New London began basing its charge on number of calls, Bradford felt that was too much to pay.

John Wilson asked if she has spoken with any other Towns to see if others have the separate salary increase line item. Jessie Levine said she will still do that, but added that she would prefer to keep that as a separate line item.

### 5. Fiscal Year

Jessie Levine provided the Budget Committee with an update on fiscal year considerations. John Wilson noted that this has been done by other towns and there is expertise available for consultation.

#### 6. Selectmen's Update

- o Mark Kaplan updated the Budget Committee on the status of the round-about. As reported, the lowest bid came in \$300,000 above the estimates, and after consultation with DOT and project engineers, Selectmen have decided to put the project out to bid again in October.
- o He reported that the lowest bid for the library's renovations also came in over estimate by \$90,000, and Library Trustees are rethinking how to proceed. Jessie Levine reported that the Trustees have gone back to Foremost Construction, and among other things, have decided to eliminate the front entry work. That brings the bid down to \$254,000 and that will cover roof and HVAC work. They are also looking at the possibilities of taking some funds from other accounts, as well as doing some fundraising.

Barry Wright asked if they will send the modified contract (without the front entrance) back out to bid. Jessie Levine said that only two bids came in, in the first place. So far, Trustees are still working with Foremost.

Noel Weinstein asked if contractors can see what is in the budget (why were the bids so far over the estimates and allocations?), and Pat Blanchard asked if they have any explanation for going so far over the estimates. Mark Kaplan said that the round-about engineers said their estimates were based on costs for round-about that are being built in Keene. Jim Wheeler asked if the Keene contractor bid on the New London round-about. Jessie Levine said, no, though the Town did advertise widely. Mark Kaplan noted that by the time this went to bid in May, major contractors were booked up for this year. They hope to get more bids, and more competitive bids by going out again in October, for the work to be done next year.

- o Mark Kaplan reported that the State has proposed a round-about for Crocketts Corner. At their most recent meeting, Selectmen agreed that it may be more important for the Town to focus on the intersection of Pleasant and Main Streets, but they wish to wait and see how that intersection will be affected when the middle school goes to Sutton. In conclusion, Selectmen are holding in abeyance any commitment for either intersection.
- o He reported that the Sewer System-Flow Study is about half way done, and they have not found any great culprits. They have done New London Hospital, but have yet to do the shopping center and Hilltop.

He added for the Budget Committee's information, that the settlement with the Attorney General's office includes a fine of \$23,000, the implementation of the flow study with its cost of \$60,000, and any work that the flow study indicates needs to be done up to \$50,000. These costs will be borne by sewer users. \$50,000 of the original fine was suspended. In

response to Jim Wheeler's question about the flow study being part of the fine, he pointed out that the Town would have done that at some point anyway.

John Wilson asked how this compares with other municipalities. Jessie Levine said in-flow is common, and it is her understanding that if they can reduce it by 30 or 40%, they would be doing well.

Bob Meck asked if the Town is authorized to require repairs to any in-flow they study finds. Yes.

- o Mark Kaplan reported on the Selectmen's recent discussions with the Pine Hill Road residents who want their road paved. Selectmen have scheduled a discussion of gravel roads in Town for their regular meeting of August 27, and a discussion of individual roads for September 10. He said that before making the decision to pave any road, Selectmen must consider a number of philosophical questions including:
  - ✓ How much work must be done to a gravel road before it can be paved?
  - ✓ Should the gravel road be brought up to the standards stipulated in the Town's subdivision regulations before it is paved? Budget Committee members observed that the Town's current policy is that no new road will be accepted as a Town Road until brought up to those standards, and paved.
  - ✓ Safety.
  - ✓ How much weight should be given to residents' preferences? Budget Committee members observed that these residents did buy their homes on gravel roads. Jessie Levine said residents can petition for paving at Town Meeting.
  - ✓ John Wilson added that environmental considerations should also be factored in when deliberating whether or not to pave a gravel road.

Larry Ballin said the Pine Hill Road residents reminded Selectmen that a previous Board of Selectmen had verbally promised that Pine Hill Road would be paved. He noted, however, that the current Board is not legally bound by a statement made by a previous administration. Jessie Levine said she has looked into the claim that there had been such a previous promise, and found it to be not entirely accurate. She said she found that in 1994, the Town did make some improvements to drainage on Pine Hill Road, and it was noted at that time that resident Fred Coombs expressed satisfaction with that work.

Mark Kaplan said he would like to know if there is a difference in values between paved and gravel roads. Jessie Levine said they haven't found that. Jim Wheeler said that more buyers do want to be on paved roads. Mark Kaplan said that if there is a difference in valuations, the Town may make its money (cost of paving) back over time.

Pat Blanchard asked to confirm that there is a requirement that new roads be paved. Jessie Levine said that current subdivision regulations do require that any new road be brought up to standards stipulated in those regulations, and paved before the Town will accept them.

Larry Ballin noted that some gravel roads, Sargent Road for example, can be top-dressed differently. Jessie Levine affirmed that different materials can be used as top dressing. Level of maintenance and costs would be issues to consider.

#### 7. Other Subcommittee Reports

Jessie Levine and Mark Kaplan reported on the first meetings of the new Energy Committee and Solid Waste Committee.

Mark Kaplan reported that at the Solid Waste Committee meeting, members heard that New London recycles 900 tons of its trash, and that is among the best in the State. He observed that Peterborough recycles 80% of its trash, but noted that that Town does not have any commercial enterprises. He said that New London's staff feels the Town can do more recycling, and the Subcommittee will be looking at the site, and coming up with goals and a plan. He and Jessie Levine said there was not much enthusiasm at the meeting for the idea of pay-as-you-throw, but it is possible that people do not yet understand how it would work. Representatives from DES and New England Resource Recovery Association will be invited to make presentations at future subcommittee meetings.

Jessie Levine reported that the Energy Committee has targeted two areas for work: researching ways the Town can conserve energy and recommendations it can make to residents for conservation.

Noel Weinstein asked about street lighting. Jessie Levine said the project is complete except for Main Street. (Reminder: At the inception of this project, residents indicated that they would like a slightly more decorative fixture on Main Street.) She said they must have Main Street done by January 2008, and right now are trying to find fixtures that are affordable to the Town and acceptable to PSNH.

Meeting adjourned at 8:30 p.m.

Respectfully submitted,

Sarah A. Denz  
Recording Secretary