

BUDGET COMMITTEE
PUBLIC HEARING
2008 TOWN BUDGET
FEBRUARY 11, 2008

PRESENT:

Budget Committee Members: John Wilson (Chairman), Pat Blanchard, Doug Baxter, Bob Meck, Jim Wheeler, Noel Weinstein, Mark Kaplan (Selectman *ex officio*), Jessie Levine (Town Administrator), Carol Fraley (Finance Officer).

Representing Town Departments: Larry Ballin (Selectman), Brian Prescott (Selectman), Richard Lee (Public Works Department), David Seastrand (Police Department), Jay Lyon (Fire Department), Sandra Licks (Tracy Library), Chad Denning (Recreation Department).

Also: Terry LeBlanc and Kent Wheeler (New London Hospital), Michele Holton, Alan Gepfert, D.J. and Bob Lavoie.

John Wilson opened the meeting at 7 p.m., with a narrative summary of the Budget Committee's work over the past year.

Regular Business

- Doug Baxter moved to accept the minutes of January 16. Bob Meck seconded. John Wilson amended the second section under Minutes to include a note indicating that the January 2 meeting minutes, p. 5, paragraph 3, should state that the blower door may not be necessary (at the library). On p. 2, second to last paragraph, first line, "in" should read "it." There was no further discussion. Motion unanimously approved.
- The Budget Committee reviewed the changes made to the proposed 2008 budget since the January 16 meeting. These include those changes discussed at that January 16 meeting, and the net is an addition to projected appropriation of \$46,813. The net change to projected revenues is a reduction of \$14,233. Jessie Levine said they will still be taking a closer look at revenues. For example building permit fees went up on January 2.
- John Wilson announced that long-time Budget Committee member Pat Blanchard will not be seeking reelection to the Committee this term, and the Budget Committee thanked Pat for providing tremendous expertise and great input through the budget process.

PUBLIC HEARING

Copies of the Budget Information Packet were distributed, and John Wilson directed people's attention particularly to page four containing the narrative explanations of several of the larger proposed expenditures. He explained that the Town expenses comprise only 28% of people's tax bills, and the balance of the bills is comprised of county and school taxes. He said the Budget Committee has studied the budget carefully and spent a great deal of time developing a wage policy for the town. He opened the floor to comments and questions.

Bob Lavoie referred to p. 1 of the packet, and asked if the sewer budget should be used in calculating the tax rate. No, they should not. He asked if the sewer expenses include the deposit into the sewer capital reserve. Yes.

He referred to p. 2, specifically Transfers from the Sewer Fund, and asked if sewer users may anticipate a reduction in their rates this year. Jessie Levine said yes, those should go down this year.

Alan Gepfert asked for an explanation of the difference between Highway Administration and Highways & Streets. John Wilson said the first is personnel related, and the second is comprised of materials and equipment.

Bob Lavoie referred to paragraph eight "Capital Outlay" on page four of the handout, and asked if the Highway Department will be reimbursing the Sewer Department for the pick up truck. Jessie Levine explained that they have decided to sell the Sewer Department's old truck at the surplus sale, and those revenues will go to the Sewer Department. Larry Ballin added that the new truck being purchased will be less expensive to run.

Alan Gepfert opened some discussion of the round-about at Newport and County Roads, saying his understanding is that the actual cost will be higher than the amount approved in 2007. Jessie Levine said the Town approved \$700,000 and the bid came in at \$708,000. With the hospital's and water precinct's shares factored in, the Town's share of the construction will be \$665,000. She explained the Selectmen and Budget Committee are recommending an additional \$75,000 be allocated this year to cover contingencies. That will come out of the capital reserve for Intersection Improvements.

D.J. Lavoie asked what will happen if a sewer pipe breaks during construction. Jessie Levine said that is not anticipated to happen, but that's why there will be a contingency fund. She said it depends on the cause of the breakage—whether it is due to contractor error in which case cost would be covered by the contractor, or a pipe that was going to need replacing anyway in which case cost would go to the Sewer Department.

Alan Gepfert asked if this went to bid. Jessie Levine said yes, and they are meeting with the winning contractor on Wednesday. She further explained that there will still be some testing done for presence of ledge in the area, and that will be part of the water precinct's portion of this project. Their \$300,000 bond includes some contingency for ledge.

Bob Lavoie referred to page 5 of the information packet, and asked what the basis is for reducing the sewer department's deposit into its capital reserve. Jessie Levine said this is a result of their putting some of the capital items into the operating budget, and of taking a closer look at the ten year plan.

Bob Lavoie referred to page 6 showing tax rates, and pointed out that the sewer rates shown near the bottom of the page do not include the deposits into the CIP, or the loan repayment.

On page 9, he referred to "New Credit" under Veterans' Credit summary. Jessie Levine said it is not new and she will delete that word. It is the same as last year.

H referred to page 11, and asked to confirm that the sewer department equipment repair and replacement cost will come out of the capital reserve for that purpose.

Pat Blanchard referred to page 7 on tax rates, and asked if the "Total Tax Rate" column refers to the 2007 figures. Jessie Levine confirmed that.

Hearing no further questions or comments, John Wilson closed the public hearing, and the Budget Committee entered its deliberations.

Jessie Levine proposed the Committee follow the same order of procedure as in previous years; that is, she will read the proposed appropriations one by one until someone has a question or comment on any given line. At that point, she will take a roll call vote on all proposed numbers read so far. The Committee will vote on those, and then open discussion on the line in question.

Executive	\$329,274
Election, Registration & Vital	84,683
Financial Administration	279,442
Reassessment of Property	82,500
Legal Expense	40,300
Personnel Administration	71,898
Planning & Zoning Boards	64,608
General Government Buildings	183,237
Cemeteries	49,023
Insurance	88,000
Advertising & Regional Association	16,306
Police Department	842,451
Fire Department	262,075
Firewards	594
Emergency management	7,531
Dispatch	321,126

John Wilson raised a question about the \$100,000 increase in the next line: Highway Administration. Jessie Levine took a roll call vote on the above line items, and the Budget committee voted unanimously to recommend all.

She explained that the increase is comprised of the raises for full time employees as well as the addition of a full time administrative assistant. John Wilson asked how much will be reflected on the revenue side (Sewer Department's share of the administrative assistant and other personnel). Jessie Levine said they will be taking a closer look at that this year.

Hearing no further questions, she continued reading line items:

Highway Administration	776,731
Highways & Streets	503,200
Street Lighting	14,000
Transfer Station	385,039
Solid Waste Cleanup	27,150
Health Department	8,287
Health Agencies	112,215
Welfare Administration	1,811
Intergovernmental Welfare	3,809
Welfare-Vendor payments	8,000
Parks & Recreation	147,979
Tracy Memorial Library	461,330
Patriotic Purposes	300
Other Culture	1,000
Conservation Administration	11,664
Energy Committee	3,841

Other Conservation	5,000
Bonded Debt	163,597
Interest	95,533

Mark Kaplan asked to open discussion on the next item: proposed purchase of land near Clark Pond. Jessie Levine took a roll call vote on the above read items, and the Budget Committee voted unanimously to recommend all the line items read so far.

Mark Kaplan informed the Budget Committee that at this morning's Selectmen's meeting, that Board, after some discussion, agreed that it would not recommend passage of this item at Town meeting. Pat Blanchard asked if that is reflective of the whole idea of the Town purchasing land for conservation or of this piece specifically. Mark Kaplan said the Selectmen feel positively about conservation, but feel this is not the right time or the right piece of land to purchase for several reasons. He reminded the meeting that he did propose doing this with a bond, that would require a 2/3 vote, and if passed, spread the cost out over time.

John Wilson asked if the Selectmen have visited the site. All three Selectmen are familiar with this. Mark Kaplan pointed out that it is mostly wetland, and would allow development of only two or three houses on the 90 acres. Larry Ballin added that with the Planning Board's recent work on wetlands regulations and Master Plan, this parcel is almost self-protected anyway. He expressed concern about what the Town will do if it depletes this reserve with this purchase, and another parcel that the Town feels strongly about protecting, and that may be more vulnerable to heavy development, comes onto the market.

Speaking of regulations, John Wilson asked about a recent comment in the paper regarding the candidate for Selectmen feeling that there should be some loosening of the zoning ordinance. Brian Prescott said he had been misquoted there. He does feel there are a lot of overlapping zoning regulations in some zones, that affect the way a person can use his or her property.

Mark Kaplan went on to point out that there has been a huge change in the economy over the last 12 months. John Wilson pointed out that though this purchase would not affect this year's tax rate, it would reduce the reserve. Mark Kaplan said the main reason he cannot recommend this is that it is just not a good piece of land to be spending the Town's money on.

John Wilson asked if the Budget Committee decides to not recommend this, would that require another public hearing. He expressed concern that the Budget Committee did approve this in a vote of five to three, at its regular meeting when Conservation Commission members were present. Jessie Levine said this is the public hearing on the budget, and Conservation Commission members are not here. She went on to say that it is too late now for the Conservation Commission to submit this as a petition, and they cannot add a warrant article from the floor of town meeting. She recommends that if it is taken out of the budget, there be another meeting on it first. But, she said, if the Committee wishes, it may continue this hearing in order to receive more input on this. Or, she said, it could leave this in the budget, but add a note similar to the Selectmen's that it does not recommend this purchase.

Jim Wheeler said he supports the Selectmen, that he has felt all along that the assessment of this piece was too high, and that heavy development is not a real threat here. He asked if it should be taken out of the budget altogether, or left in but with the note indicating that the Budget Committee does not support it. Again, Jessie Levine said they do not legally need another meeting, but she would recommend that if the Budget Committee does not support this, they have another meeting.

Brain Prescott said at this morning's Selectmen's discussion, he did not expect the Budget Committee to change its mind on this, nor does he expect the Town will.

John Wilson referred again to the previous five to three vote of the Budget Committee, and said he would not revise that without the Conservation Commission being present to hear the discussion. Again, he said there is a problem with sequence. This did not come up until the Selectman's comments made at the last Budget Committee meeting. That is too late in the process. Mark Kaplan said the Conservation Commission knows it has no authority to spend money out of the reserve until Town meeting votes on that. He said the Conservation Commission is also aware that tonight's hearing is the last meeting for changes. He said the Budget Committee does have the right to change its mind.

Jim Wheeler pointed out that between the meeting when this was first presented, and the second, there was some change in the way the land was described. At the first meeting the Budget Committee asked about the appraisal, and at the second, though the Budget Committee affirmed this in a vote of five to three, it did express an opinion that the land was overpriced.

He moved to leave this line in the proposed budget, but to add a note saying that the Budget Committee does not recommend this. Pat Blanchard seconded. In a roll call vote, John Wilson and Noel Weinstein voted to leave the Budget Committee's recommendation in, Jim Wheeler, Pat Blanchard, Mark Kaplan, Bob Meck voted to add a note stating that the Budget Committee does not recommend it. In a roll call vote, the Budget Committee voted unanimously to leave the item in the budget.

Jessie Levine continued reading the line items:

Capital Outlay-Conservation Land	275,000
Capital Outlay-Vehicles, Machinery, Equip.	92,800
Capital Outlay-Buildings	140,000
Capital Outlay-Improvements	261,500
Transfers to Capital Reserves	754,000
Sewer Buildings	65,150
Sewage Collection & Disposal	684,630
Sewer Debt Service	35,000
Sewer Debt Service Interest	7,908
Sewer Capital Outlay-Equip. Replacement	45,000
Sewer Transfer to Capital Reserves	20,000
TOTAL PROPOSED APPROPRIATION:	\$7,928,522

Budget Committee members signed the MS-7, and Carol Fraley passed the appropriations transfers to the Budget Committee chair.

Other Business

- The Budget Committee briefly reviewed the warrant articles. Articles 3 through 8 relate to the operating budget, and again it was made clear that 5 and 8 include some sewer department costs that will be offset by user fees. Article 9 refers to the deposits into capital reserves. Article 10 changes the purpose of the Police Department copier reserve and will require a 2/3 vote. Article 11 refers to vehicle and equipment purchases, and Article 12 refers to building repairs and maintenance—all of which have been previously discussed. Article 13 addresses Milfoil Prevention and Treatment. Article 14 refers to round-about contingency fund as discussed above. Article 15 addresses funds for

the Master Plan update. Article 16 asks voters to raise and appropriate \$60,000 to repair the Pleasant Lake Dam, and to authorize acceptance of a gift of \$8000 to be applied to that amount. Article 17 changes the purpose and name of the Recreation Department's reserve, and will require a 2/3 vote. Articles 20 and 21 relate to gravel roads, and asks voters to authorize Selectmen as agents to expend the reserve money. Article 22 refers to the conservation land purchase, and the note will be changed to reflect that the Budget Committee does not recommend this.

- The Budget Committee scheduled its next regular meeting for May 14 at 7 p.m., at which time it will review proposed procedural changes and set the schedule for the year.

Selectmen's Update

Mark Kaplan reported on this morning's meeting with the Tracy Library Trustees and the Community Garden Committee. He advised the Budget Committee that the Selectmen voted unanimously to require that the Community Garden Committee apply for 501(3)c status, and become a stand-alone committee. There will be a memorandum of understanding drawn up by that committee, the Selectmen and the Library Trustees.

John Wilson said that in good faith, they should continue the Town's contribution until it tapers down to zero in 2011, as originally agreed upon. Selectmen and other Budget Committee members agreed.

The meeting adjourned at 8:25 p.m.

Respectfully submitted,

Sarah A. Denz
Recording Secretary