

**APPROVED  
TOWN OF NEW LONDON  
BUDGET COMMITTEE MEETING  
JANUARY 8, 2009**

**PRESENT:** John Wilson (Chair), Connie Appel, Doug Baxter, Bob Meck, Noel Weinstein, Jim Wheeler, Barry Wright, Tina Helm (Selectmen's Representative)

**ABSENT:** Ann Bedard, Celeste Cook

**ALSO PRESENT;** Mark Kaplan & Larry Ballin (Selectmen), Jessie Levine (Town Administrator), Carol Fraley (Finance Officer), David Seastrand (Police Chief), Richard Lee (Director of Public Works), Jay Lyon (Fire Chief), Chad Denning (Recreation Director), Linda Hardy (Town Clerk/Tax Collector), Sandra Licks (Library Director), Charlene Baxter (Library Trustee), Nancy Friese, Erle Blanchard & Chuck Curtis (Council on Aging), Bob & DJ Lavoie, Peter Bianchi

Budget Committee Chair John Wilson called the meeting to order at 7:00 p.m. and stated that members of the Budget Committee had concerns regarding protocol that should be corrected by the following directions from the chair: 1) only Budget Committee members, the Finance Director, the Town Administrator, and any attending Selectmen are to be seated at the meeting table; 2) discussion of a subject will be limited to those sitting at the table, appropriate Department Heads, and concerned citizens. All comments from concerned citizens will be limited to two minutes with only one comment per subject unless granted permission to do otherwise by the chairman. After a motion has been made and seconded, any further discussion shall be limited to Budget Committee members, the Finance Director, and the Town Administrator. Any further comments from concerned citizens will be accepted at the end of the meeting prior to adjournment.

The minutes from the meeting of December 4, 2008 were approved with the following corrections:

- 1) Page 1: Paragraph One under Conservation Commission, "down to" should read "at";
- 2) Page 2: Paragraph One under Administrative Budget, the words "cost of living allowance" should be deleted;
- 3) Page 2: Paragraph Three under Administrative Budget, the words "not immediately" should be deleted.
- 4) Page 3: Paragraph Two under Wastewater System, the first sentence should be amended approximately as follows: "with the plan upgrade, it would extend the life-expectancy of the operating capacity," and, "comply" should read, "meet permit compliance."

John Wilson then stated that the agenda sequence would be a little different because he thought that the Committee needed to know a little more about the Sunapee sewer project costs.

Tina Helm gave an overview regarding the sewer costs and stated that related to the sewer, the two towns had agreed to pursue only design work at this point. Jessie Levine said that the Town did not have a concrete number for that because the January 7 meeting that was scheduled to discuss that topic had been cancelled and rescheduled for January 13. Tina stated that to continue with the sewer project to its completion would involve two phases that could be put off and that was what they were recommending. She stated that the total cost would be about \$7.6 million dollars, which essentially was divided in half for the two phases.

Mark Kaplan said that New London would have about 70% of that cost and he stated that the Town had signed a contract with Underwood to do a peer review of the work product from the Wright Pierce engineering firm that is being used by Sunapee. He stated that the Selectmen did not feel that they had the

expertise to decide what needed to be replaced (i.e. pump, filters, etc.) as was being recommended by Wright Pierce, so they decided to hire someone with the expertise to advise them. One thing suggested by Wright-Pierce and supported by Sunapee is renovating the plant to accept septic waste, where instead of hiring someone to take it to Franklin or wherever, they could take it over to this facility and there would be a charge for it. So one of the questions was, will that be a moneymaker or will it be a cost? The Town wanted expertise on a quality space so they hired Underwood to advise them.

In response to questions raised by Chair Wilson, Jessie Levine said that there were three contracts with Underwood that the Selectmen recently approved: 1) \$19,000 for redesigning the electric panels at the main plant similar to the redesign that happened at Georges Mills pump station; 2) \$15,000 to redesign the unusable grit removal system at the main plant; and 3) \$9,500 for Underwood's review of the Wright Pierce work relative to the Sunapee plant. Jessie stated that the costs for these engineering contracts are already included in the proposed 2009 wastewater budget, but the costs relating to the Sunapee plant project have not been added yet.

John Wilson stated that at this stage of the game the only thing the Board would be talking about is the bond issues which were not happening until next year. Jessie responded that the engineering portion of the Sunapee project, which would be approximately \$400,000 (our 70% part of the \$550,000 costs). Mark Kaplan stated that there was no question that the Town was faced with the huge project, but it was not the Selectmen's recommendation to pursue the whole thing this year. John Wilson asked if there were budgetary concerns tonight, and Jessie stated that it would be a concern for the next meeting and that the engineering portion would have to be voted on in 2009, with \$400,000 for the design of the project, which in turn could be \$7.6 million.

Mark Kaplan commented that there is still the question of who pays, sewer users or is it going to be town-wide? Jessie Levine said that the Selectmen ultimately make the decision and recommendation about who should pay and that decision does need to be made before Town Meeting because that decision will affect how voters feel about the bond. All the voters will vote on it even though it's a sewer expense, and the Budget Committee needs to make a recommendation on the warrant article for the bond and if the Budget Committee doesn't agree with what the Selectmen are proposing for the payment, they (the Selectmen) might not recommend it. It's not the Budget Committee's decision as to who pays, but as citizens, their input is important.

Barry Wright asked since it is part of a larger project would there be an impact on the budget and Jessie responded that if it became a bond, there would be no impact on the budget until 2010, when debt payments would start.

Jim Wheeler asked what happens if the money is not spent, the project is not undertaken and the State insists that it does get spent, and Jessie responded that at this time, the State was not insisting that the money be spent, it was coming down to meeting the requirements of the permit efficiently and cost-effectively and realizing that the plant is 30 years old and will need repairs at some point.

Barry Wright stated that it was good to be in the position of having the design done, especially if there's going to be any public works money available through Federal assistance. Jessie responded that she and Richard Lee would find out more about federal stimulus funding on Friday, January 9, when they went to a meeting with DES officials in Concord.

Noel Weinstein asked if there was capital reserve money set aside in anticipation of this project, and when the response was no, he asked why not. Jessie responded that the Sewer Commission chose not to do that because they knew that the project would be large enough to require bonding. John Wilson stated that his recollection was that they had always assumed that this would be a bond issue. Mark Kaplan said that the

Sunapee Sewer Commission has already put aside \$1 million in Sunapee, so they are more than half way to their portion. In retrospect, had the New London Commission decided to put money away, they could also have some money now.

Noel Weinstein strongly recommended that both the sewer people and the Town people should have a capital reserve fund for the next go around, even if it's 30 years out. Jessie stated that hopefully the Budget Committee would agree to fund it.

John Wilson stated that he thought they understood it now so they could move ahead to the Selectmen's report.

Tina Helm updated the Committee on the Selectmen's activities since the December 4<sup>th</sup> Budget Committee meeting. She stated that they heard a very comprehensive and helpful presentation from Superintendent Jerry Frew, which helped the Selectmen understand the school budget. At least one Selectman will represent the Town at the school deliberative meeting on Saturday. The Selectmen have had lengthy deliberations about the Whipple Town Hall renovation project and have scaled it back substantially and are still trying to figure out if it's realistic to do. They feel that they have made a promise to the Police Department that has been on the books for a while to try to make it work, but with very limited funds. The Selectmen had an open dialogue with a small group of citizens who were concerned about the way the ice storm was handled, but at the end it was a very healthy dialogue and they understood that the safety of every town citizen was of paramount concern and after that dialogue, there was an overwhelming praise of how the Town officials and administrators had served and dealt with the ice storm. The officials who dealt with the ice storm had a debriefing and are packaging the information so that if the Town ever has an emergency like that again, they will be even better than they were this time. The Selectmen were briefed on the nine amendments to the Town Zoning Ordinance, which will be proposed by the Planning Board at Town elections. None of these will be major changes, just tightening up existing laws and actually making some of the zoning conditions better for townspeople. In general, the Board of Selectmen is pleased and impressed with the cooperative and collaborative spirit of the Town administrators in crafting a very lean budget.

John Wilson thanked Tina for her report and moved on to the review of the draft 2009 Budget. He thanked the department heads for their sincere effort to accomplish a reduced budget as requested by the Budget Committee. John went on to say that it was mentioned at the last meeting that this would not preclude the Committee from looking at and talking about particular items. He stated that they would proceed through the budget page-by-page.

Jim Wheeler asked if the Committee could review revenues first, and all agreed. Jim Wheeler asked about interest due on taxes and if that was an indication of what remained due this year. Carol Fraley responded that it was on what had been collected so far this year. She stated that she thought the Town was not any further behind this year than last year, which Linda Hardy confirmed. Jim asked if that was the same with Motor Vehicles and Carol responded that there were three components to motor vehicle fees, and those were down and projected to be down in 2009 as well. Jim asked what were redeemed taxes and Carol answered those were from people who paid off tax claims and included collected liens as well. Linda Hardy explained that these related to taxes billed in 2007 and paid off in 2008.

Jim Wheeler brought up the state budget deficit and Jessie responded that NHMA and the municipalities were ready to fight to protect all the shared revenue they get. Jim asked if the revenue wasn't there to share, should the Town be anticipating that and Carol responded that the State was a year behind in paying the Town, so the Town should be okay until the following year.

Noel Weinstein commented that there had been a couple of recessions in the past and it would be interesting to see what revenues were projected and how the figures compared to the year preceding it and following it, as a guideline for what should be expected this year. He suggested doing a comparative analysis in order to know what the proper projections should be for revenues. Jessie stated that she had all the tax records in her office and if Noel had the time, he could do the research from that data and he agreed to do that.

John Wilson moved on to page 5 of the revenues, where he asked about contributions and donations that were substantial and what were they? Carol responded that it included the Pleasant Lake Dam and curbing. Jessie said that the Town had also received a major refund from NH/VT Solid Waste District of about \$60,000, which would not be repeated.

Jim Wheeler asked what percentage interest that the Town got on its bank accounts, and Carol responded she did not know but that Steve Theroux had told her the expected figure of \$25,000 was appropriate. Jim asked if it could be about 1% and Carol agreed.

John Wilson then asked Budget Committee members to refer to the draft budget, beginning on page 1. Jessie Levine reminded the Committee that throughout the budget, there would appear to be unusual increases in salaries because they had eliminated that lump sum line for raises and have spread the raises across the departments. Therefore, the proposed 2009 budget looks like the increases were ranging from 8- 9% when it actually shows two years worth of wage increases.

John Wilson moved on to page one and asked for an explanation about the Zoning administrator position and whether this was the year to increase those hours. He referred to Jessie's memo to the Town showing the net increase of \$21,330 and Larry Ballin's statement at the December 4 Budget Committee meeting that the \$10,000 savings would not be seen immediately. Jessie said that she would like to correct the minutes concerning Larry's statement by saying that the \$10,000 savings would be in the first year and that they would expect the Planner's time would come down more in the subsequent years. Larry Ballin confirmed this and stated that the Planner's contract for next year does reflect a substantial decrease. John asked if the Selectmen had any comments and Larry Ballin stated that they felt that a lot of in-house work could be done that was now being done by the Town Planner and that they have been meeting with a little resistance from the Planning Board on this, but that they were moving forward on it. He stated that to him it was an efficiency move.

After some lengthy discussion regarding the increased work load and the cost effectiveness of increasing the hours for the Zoning Administrator, John Wilson asked for a motion on line 2 of page 1, 01-4130-100-115-00 EXEC-F/T Wages for \$138,000: MOTION TO ACCEPT THE POSITION OF EXEC-F/T Wages TO BE FUNDED AS PROPOSED IN THE BUDGET – Barry Wright; SECONDED – Doug Baxter. The motion passed by a vote of 7-1.

John Wilson then moved on to page 2, line 01-4130-100-691-00, EXEC-Selectmen's Discretionary Acct. After discussion it was determined to keep the \$7,500 line item, which mostly is used for modest employee bonuses and citizen's meeting refreshments, and John Wilson stated that unless someone disagreed, he didn't think it called for a motion to keep the line item as is in the budget.

John Wilson then moved through pages 3-5 (no items discussed), and onto page 6, where he referred to line 01-4155-100-692-00 Employee Tuition Reimbursement. Jessie Levine stated that 6 employees had used it in the past year. Doug Baxter asked if these employees were in continuing education and Jessie responded that yes, it was all degree-related work and that job related training was covered by the regular training budget. She stated that the personnel policy granted up to \$2,000 per person per year, depending on performance in the class. D.J. Lavoie asked if the employee's reimbursement was pro-rated and Jessie

responded that it was linked to the employee's grade, i.e. the highest would be 80% for an A, up to \$1,000 per course and up to two courses per year. The Budget Committee agreed that this benefit was good to keep for employees.

John Wilson moved on to page 7. Bob Meck asked Jessie about the propane costs and she stated that she had tried to get a lower price on the current contract, but Irving wasn't letting anyone out of their contracts. Irving was willing to sell the remainder of the contract for about \$30,000, but the Town would have to find propane at lower than \$0.80 per gallon in order for that to be cost-effective. Jessie Levine said that towns that received oil from the Fred Fuller Company had successfully renegotiated, but Irving had not renegotiated any contracts.

John Wilson asked why the Planner was being kept if there was such dissatisfaction with the services and Larry Ballin responded that the Town had a contract. Jessie stated that she has spoken with the Planning Board Chair (the Planner is an outside contractor under the Planning Board) and the Planning Board doesn't want to make a change at this time. She clarified that the Budget Committee did not have the right to say who the contractor should be, but did have the right to not fund the budget. She stated that the Planner had come down from \$52.50 per hour to \$50/hour and that included the first hour of travel. If the Town were to go with the Upper Valley Lake Sunapee Regional Planning Commission, their cost would be \$45 per hour which would save the Town about \$2,500 per year for the same number of hours. Jim Wheeler asked if, in Jessie's opinion, they would do as good a job and Jessie responded yes. However, she repeated that she had spoken at length with the Planning Board chair and there was not support for a change. Jessie recommended that there should be a non-public meeting between the Board of Selectmen and Planning Board chair on Monday to discuss this.

John Wilson asked if anyone wanted to make a motion on this subject. MOTION TO PUT THE LEVEL OF FUNDING AT \$5,000 WITH THE STIPULATION THAT THE SELECT BOARD MAKE A RECOMMENDATION AT THE NEXT BUDGET COMMITTEE MEETING FOR AN APPROPRIATE NUMBER- Barry Wright; SECONDED - Bob Meck.

Connie Appel stated that she was afraid that the Committee was moving too quickly and wondered if it would be more appropriate to have another meeting and come back to this; give the Selectmen and the Planning Board a couple of weeks to discuss this. Barry Wright stated that this precludes the Select Board from having to sign the contract on Monday because it would not be funded, but it doesn't preclude them from having the Planning Board come back to the next meeting with another alternative.

After further discussion, it was decided to vote on the motion as stated. The motion passed unanimously.

Jessie wanted to clarify that she had budgeted very tightly on the electricity line item on page 7, to the point that Carol Fraley is uncomfortable with the budget at this level. There is not a lot of wiggle room on any line item.

John Wilson moved through pages 8-9 (no items discussed), and stopped on page 10, 01-4197-100-562-00 Tourism Promotion-Chamber of Commerce. Bob Meck said that he would like a critical discussion about supporting non-profits. Connie Appel stated that she felt the businesses needed every bit of help to bring the profile of the Town to the greater region. Jessie stated that the Chamber's request pays for staffing at the Information Booth and is linked to a specific service from May to October. She said that the Town and Chamber are working together now more than ever, with benefits for the town and its businesses. John asked for a motion. MOTION TO KEEP \$10,000 IN THE BUDGET FOR 01-4197-100-562-00 TOURISM PROMOTION-CHAMBER OF COMMERCE - Connie Appel. SECONDED - Barry Wright. The motion passed with one opposition.

John moved through pages 11-13 (no items discussed), and stopped on page 14, 01-4220-500-692-00 FIRE-Prevention Education Material. He asked what was included in that line item. Jay Lyon stated that the Fire Department offered a substantial fire prevention program, going into schools, banks, businesses, the College, and the Hospital to train people on how to safely use fire extinguishers. He stated that the cost for the printed materials was \$1,000 and \$1,500 was a reimbursement to the Firefighters Association for an extinguisher simulator. This cost was being shared by the Sunapee Fire Department. It was determined to leave this line item as proposed in the Budget.

John moved on to page 15 where Jessie stated that she wanted to comment on the line item added for the ice storm and that the Town was anticipating some FEMA funds, but would like to discuss and earmark those funds for purchasing some items that would have come in handy during the recent event. The line was created to start tracking the costs related to storms. Barry Wright asked if any salaries/overtime would go into that line as well and Jessie responded that she and Carol Fraley had not yet discussed that but those costs would go into the appropriate requests for reimbursements.

John moved through pages 16-19 and stopped at Bob Meck's request on page 20, line item 01-4415-400-390-00. Motion to discuss VNA funding - Bob Meck, Second – Noel Weinstein.

Jessie stated that the Town had called on both the VNA and the Council on Aging because of the nature of the shelter residents where a large portion of the residents were already under VNA care and it was an eye opener as to the need in the community for this type of care. She said that this was literally a life and death matter, and that the Town could not have operated the shelter without the assistance of these agencies and others in the region. John asked for a motion. MOTION TO REDUCE THE VNA BY 10% – Bob Meck, SECONDED – Noel Weinstein. The motion failed by a vote of 2 in favor and 6 against.

Jim Wheeler asked to quickly go to the top line item on page 20, 01-4325-650-418-00 Landfill Monitoring and asked Jessie to clarify that expenditure. She responded that the costs were not over because the bills came in late at year end, due to a series of testing in October and then a year-end report. Jessie Levine suggested cutting the \$9,000 in line item 01-4325-650-419-00 Special Waste Drives and revisiting it next year. This would eliminate the hazardous waste collection. Richard Lee clarified that in the past, the waste drives had been done every other year, and this had changed to every year by popular demand. He said he would not be opposed to going back to every-other-year to see how people reacted.

John asked for a motion. MOTION TO ELIMINATE LINE ITEM 01-4325-650-419-00 SPECIAL WASTE DRIVES \$9,000 – Jim Wheeler. SECOND – Doug Baxter. The motion passed unanimously.

John moved through pages 21-30 (no items discussed).

John then moved on to discuss employee compensation. Jessie stated that she used the 4% figure that was the agreement between the Budget Committee and the Selectmen. She reminded the Budget Committee that when the capital budget was cut, it was in the hopes of sparing the operating budget. Then when the operating budget was cut, it was in the hopes of sparing cuts to employee compensation. The budget that the Town has delivered to the Budget Committee has a bottom line of 2% lower than in 2008 and the operating budget is 4% lower, and the tax rate is significantly reduced over last year. She stated that she felt pretty strongly that the department heads have acted in good faith to try to give the Board a very competitive budget that is already going to make it difficult to please everybody out there who wants services. It is already harder on the employees to do their jobs because of the \$200,000 reductions in the budget and to suggest to employees that they also should not be given raises is a little disingenuous at this point in the discussion.

John stated that previously the Committee had deferred discussion to this meeting and also had voted a number, which he said he thought could still be voted and disbursed by the Selectmen as they saw fit. He went on to say that the number could be determined by what percent increase the Board was willing to support. Jessie said that the department heads had already recommended to the Selectmen that any increases be treated as cost of living across the board.

Noel Weinstein asked if the raises were being granted without merit and Jessie responded yes, that was the recommendation this year unless merit was added above cost-of-living.

Mark Kaplan asked what the dollar amount was in the current proposal as compared with last year and Jessie responded that it is 4% compared to 4.5% last year, \$72,347 compared to \$72,456 last year. Jessie also stated that a portion of that is offset by the dispatch revenue.

Jim Wheeler asked for clarification of what the department heads were trying to achieve: is the goal to adequately cover inflation for 2009 for the employees? Merit raises notwithstanding; the cost of living this year has plummeted in the last three months, from 5.1% to 1.7% and he wanted to understand what the goal was and where the 4% had come from.

Jessie responded that the 4% was based upon the Budget Committee's request to use the October CPI and the concession was made not to add any merit on top of that in light of the economy. She stated that to answer Jim's question, yes, it was to keep the employees whole and one of her concerns was that a majority of the Town's employees in the Police and Highway Departments in particular already have second jobs to help meet their expenses, and also that for a number of part-time employees in the Police and Fire Departments, this is their second job. So while the cost of fuel may have come down, for those employees in fuel contracts, their costs have not come down, and it also sends a message to employees that the Town does acknowledge where they stand. Looking at what other towns are doing with their employee raises, it is more meaningful to discuss that than what other businesses are doing.

John Wilson commented that the residents/taxpayers were the losers because if the Town lowers taxes, services will be lost and should some people have to make sacrifices while others do not? Mark Kaplan replied that he was glad to hear that because that described the hard edge that the Town was facing; if it went one way, it hurt people and if it went another way, it hurts other people. He stated that he was using Jessie's comparison of 4.5% from last year with the 4% recommendation for this year as a reference and that he felt that Department Heads had sharpened their pencils and used their brains and their hearts and their minds to reduce the budget to the point where it helped reduce taxes. He went on to say that he felt they had done a great job and if they are willing to live with 4%, so was he.

Peter Bianchi stated that for the last two years, Carol Fraley provided him with a spreadsheet of salaries and on that spreadsheet she lists everybody's salary and a comparable mid-point of that salary for the comparable job. Of the 33 jobs that could be compared, 14 were paid above the comparable mid-point of the salary position, 16 were paid about the mid-point of the salary position, which means that 90% of the Town's employees were getting about mid-point and 42% were getting above maximum for their position(s). He went on to say that, while he does not have anything against any employee, because of the economic conditions he believes that it may be time to put a salary cap on the whole town. He also stated that the salary raises given in the past two or three years reflected a good position in the market compared to those given in comparable towns and the towns picked. He stated that there were only 3 positions that weren't paid above comparable mid-point, so in view of the economic times, everybody has to sacrifice and he recommended that all salaries be frozen at last year's rate.

Jessie responded that the Personnel Subcommittee spent four or five days last year on the same subject because Peter had brought those same points up last year. That was why they had spent so much time

defining where they wanted to go with salaries and she believed the agreement was that they would cut back on the vacation plan and this year the Selectmen reduced the health benefit, and all hoped that they would not revisit it or need to revisit it because they had spent so much time on the total compensation package last year. At this point they have the 4% COLA in the budget, but she thinks the Town spent a lot of time on the overall package and while she did not bring her notes from last year's discussion, she remembers it being that they do have a number of employees who are above the mid-point and above the max, but that a lot of those employees have longevity. She went on to say that a lot of employees were adjusted after the wage-study was done.

Connie Appel stated that she wanted to make two points: 1) she wasn't sure of the exact figures, but that New London was one of the wealthiest towns in the State; and 2) in thinking about these issues and not knowing the future, it seems to her that the vast majority of experts are saying it will get worse and that means that next year, with having cut out so much this year, there won't be anything left to cut out. Because of her concern that with the economy the Town may be in worse straits next year, and after much soul searching, she found that she would support a modest raise this year across the board and was thinking in terms of 2-3% instead of 4%.

Jim Wheeler stated that he was torn between getting feedback from townspeople who elected us and of whom 90% feel very strongly that public employees, whether state, federal, or town, should have no additional rights beyond the private sector in terms of being protected from salary increases, cuts, or freezes. And he agreed exactly with what Mark says, we're so pleased with the job that they do and we're so happy with the level of expertise that we get, we want to give more and it's very tough, because there are two sides and both sides are very strong in opinions.

John Wilson said that the majority of businesses were not giving raises this year, and Jessie said that is not true; of the 30 businesses polled, the top 20 were giving raises. She stated that it was not accurate to say that the majority of those businesses were not giving raises when in fact the majority is giving raises.

Jim Wheeler commented that he could only go by his own experience and didn't know where he came down on it except that he knew the Town used the October COLA rate, which, as he stated, the Town didn't want to start picking the COLA number necessarily, but in this climate, this business year, he feels personally confident that the inflation factor and the cost of living increase in 2009 is going to be certainly less than 4%. He went on to say that he thought it could go negative and if he had to throw money on a bet, he'd bet for deflation in 2009. So from a very realistic standpoint, the 1.7% that is currently in place, he thinks is a more practical realistic number for covering the cost, but he would also like to see some merit raise because he does agree with the Selectmen on the job well done factor. Perhaps Connie's idea of 2-3% falls more accurately from a practical standpoint (to him). That is as far as he is able to get on it and also justify some of the taxpayers' wishes.

Noel Weinstein asked when the Town wage survey had been done and Jessie responded in 2006 and again in 2008 for the Personnel Subcommittee. Noel asked what was the most recent comparable figures for raises and Jessie replied that she had only done comparables for the immediate surrounding towns and the competitive regions; that Newbury was 3.5%, 1.7% COLA and 1.8% merit and they're waiting to see what the school district does on Saturday and if the district stays with 4%, they may use 4% COLA plus their merit; Enfield decided to stay at 2% so that open positions could be filled; Grantham was 3%, Hanover was 1.7% COLA plus 2% step for non-union employees, Lebanon had four areas: AFME was negotiating between 2-4%, Police was 3-5%, Non-affiliated Non-Union and the majority of the unions was 5% and that budget was actually approved by the council; Sunapee was 4% COLA plus their 2.5% steps that are automatic, Hartford voted to not approve the 2.5% merit raises, but was using a 3.78% (COLA) raise.

Connie Appel commented that all were giving raises. Mark Kaplan asked if using the 4% of the \$72,000 in the proposed budget, will it produce a reduction in the tax rate? Jessie responded yes, it was already in the proposed budget. Mark responded that he wanted to go back to his original point; the Town administration and the department heads have put their heads together and came up with a budget that reduces the tax rate and he didn't believe that this is the time to cut their salaries. They have worked hard and they deserve the full 4%. Jim Wheeler interjected that they were not trying to cut salaries, the issue was salary increases and Mark restated that he didn't believe that this is the time to cut back their increases, they really deserve the full 4%. If it's necessary to look for further savings next year, they could at least look back and say, we didn't climb all over the backs of our employees.

John Wilson stated that sounded pretty emotional, but he thought that even in the school where he thought they were all out of whack with the raises that they're talking about, the one that they're waiting for on Saturday will be either 4% or 2%, depending on which budget is accepted. Jessie stated that the decision also considered whether to revisit the teachers' contract, which includes raises of 7.5%.

John Wilson remarked that what was interesting was that the School District was cutting 7.5 full time positions and never have we considered cutting positions. Jessie interjected that they also have 475 employees. Doug Baxter asked if there would be additional areas of increase other than the 4% and Jessie responded no, just the 4%.

John Wilson asked if anyone wanted to make a motion.

MOTION TO GIVE COLA RAISES AT 3% - Bob Meck; SECONDED – Barry Wright.

Doug Baxter said that he felt the decision should be put off until the next meeting. Noel Weinstein asked if the Board should put in 4% now? Jessie Levine stated that the budget already included the 4% figure. Bob Meck withdrew his motion. John Wilson stated that the Board agreed to hold off a decision until the next meeting on January 26.

John stated that he had two announcements: 1) Saturday at 9:00 a.m. – the annual school budget meeting at the high school, where there are two budgets in contention; and January 26<sup>th</sup> – next Budget Committee meeting at the Town Offices.

Motion to adjourn was made at 9:24 p.m.

Respectfully submitted

Camille Holmes

Reviewed by

Jessie Levine

DRAFT