

**New London
Budget Committee
Meeting Minutes
November 14, 2007**

Present:

John Wilson (Chair), Barry Wright, Connie Appel, Pat Blanchard, Bob Meck, Noel Weinstein, Jim Wheeler, Jack Diemar, Doug Baxter, Mark Kaplan (Selectmen's Representative), Larry Ballin (Selectman), Jessie Levine (Town Administrator)

Also Present: Chad Denning, Recreation Director; Keith Pomkoski, Recreation Commissioner; Les Norman, Conservation Commission; Terry Dancy, Conservation Commission; Emma Crane, Conservation Commission; Bob Crane

Absent: Carol Fraley, Finance Officer

Chair Wilson called the meeting to order at 7:00 PM.

Recreation Commission: John Wilson recognized Chad Denning and Keith Pomkoski on behalf of the Recreation Department. Chad referred to his proposed budget, on page 21 of the budget packet. Chad said that everything will stay the same; the lower waterfront wages in 2007 were because of the bad weather, so it's advisable to keep the funds in there for warm weather. The only change was the increase in health and dental benefits. Doug Baxter commended Chad for keeping the budget flat.

John Wilson asked Chad to elaborate on future plans for the Recreation Department, referring to the Intertown Record article on the Selectmen's meeting. Chad said that a Colby-Sawyer Sports Management class is helping the Rec Department development a Master Plan as we speak, with final presentation on December 12 at 6:00 PM at the Fire Station (the final product represents 25% of the students' grades). The teams met with the Recreation Commission once and with Chad separately. The Master Plans will be voted on at the December 12 presentations, with the winning plan being taken to a marketing class in the spring. The Recreation Commission can choose the end product and make changes as it wants. Chad said there are other future items as well, such as trail infrastructure (based on Safe Routes to School) and the improvement of current Town facilities.

John Wilson asked Chad to explain the Recreation Revolving Fund spreadsheet that he had distributed, and asked Jessie to read the founding warrant article (from the 2004 Town Meeting) and the enabling statute (RSA 35-B:2), which are as follows:

ARTICLE 29: To see if the Town will vote to establish a Recreation Revolving Fund pursuant to RSA 35-B:2 II. The revenues received from fees and charges for recreation services and trips shall be allowed to accumulate from year to year, and shall not be considered part of the Town's general fund or general surplus. The Town Treasurer shall have custody of all monies in the fund, and shall pay out the same upon order by the Board of Selectmen or the Town Administrator and Recreation Director. Pursuant to RSA 35-B, these funds may be expended only for recreation purposes and no expenditure shall be made in such a way as to require the expenditure of other Town funds that have not been appropriated for that purpose. After creation of such recreational fund, the monies in such fund shall not need further Town Meeting approval to be expended. (Majority vote required.)

RSA 35-B:2 Tax and Appropriations. – Any town, city, county, village district or school district may raise annually revenues and appropriate funds for the purpose described in RSA 35-B:1 and also may raise such sums when the land upon which such

activities are conducted belongs to or is leased by the state. The money necessary to pay for lands or other recreation purposes described in RSA 35-B:1 may be raised and appropriated by the board or body having control over the finances of a political subdivision by the following methods:

I. General taxation, as other taxes are raised and levied or by the issuance of temporary loan bonds or by the issuance of permanent bonds to the extent, and with the authority authorized by existing law.

II. By fees and charges for recreation park services and facilities. All revenue from such fees and charges may be deposited into a special fund established for such purposes pursuant to RSA 31:95-c, or into a recreation revolving fund established by vote of the legislative body. If such a recreation revolving fund is created, the money in the fund shall be allowed to accumulate from year to year, and shall not be considered part of the political subdivision's general surplus. The treasurer of the political subdivision shall have custody of all moneys in such fund, and shall pay out the same only upon order of the recreation or park commission, or other board or body designated by the local legislative body at the time the fund is created. Such funds may be expended only for the purposes of this chapter, and no expenditure shall be made in such a way as to require the expenditure of, or create a liability upon, other town funds which have not been appropriated to that purpose.

John asked how the fund was administered, and Jessie said that usually the request to expend funds originates with Chad and it has to be approved by the Town Administrator and paid by the Treasurer (and accounted on the spreadsheet shared with the Budget Committee). John asked if the Recreation Commission was involved, and Jessie replied that they are in a general sense but not with respect to specific expenditures.

Chad pointed out some of the trips and expenses that were paid out of the revolving fund and the deposits thereto, including some large payments (Red Sox trips). The total current balance is about \$42,000 (the spreadsheet does not reflect October, as Carol Fraley has been on vacation for the last two weeks). Jack Diemar asked if the revolving fund is higher than at the beginning of the year, and Chad said that it is by about \$12,000.

Jessie pointed out that when the revolving fund was created in 2004, it replaced the budget line items for programs, trips, and the summer day camp. All of those functions are now managed through the revolving fund, eliminating \$10-15,000 out of the budget.

Bob Meck asked how the North County Aquatics Club relates to the Recreation Department. Chad said they are a non-profit organization that ran the summer swim team program. We allowed participants to register through our on-line software and then we issued payment to the Club.

Barry said the revolving fund started at \$29,000 and appears to have built steadily during the year. He asked Chad if he thought there was too much of a fund balance or if we were charging too much for programs. Chad said the growth reflects fundraisers as well, plus we make money on certain programs. Barry said that he does not want the fund to be a profit maker, but that it should be a program generator. Chad agreed, but noted that he is a one-person department and he wishes he could do more. Doug asked it was Chad's desire to have a financial buffer in the fund, and Chad agreed that it is nice to have a buffer in case, for instance, the summer day camp did not do well in any given year and he had to cover salaries.

Chad referred to the NH Parks & Recreation website (www.nhrpa.com) that contains a survey of annual budgets, salaries, and revolving account budgets for other departments. He said that our fund is actually

small in comparison to other towns. Jessie said that one purpose of the fund was to allow flexibility to add programming as needed, rather than waiting for a budget cycle. She said that the current balance is just a point in time; the fund could be higher or lower at any given time, and we just hope that it keeps balancing out. Connie said that another year of an upward trend is healthy; we have a fabulous program that's paying for itself and building its future, and it does not get much better than that.

Noel asked for an occasional trip to the Yankees. Chad said he does hope to expand on the outings, especially with the Celtics doing as well as they are.

Chad moved on to discussion of the Capital Improvements Program, reading aloud Article 27 of the 2004 Town Meeting warrant:

To see if the Town will vote to establish, per RSA 35, a Capital Reserve Fund for the purpose of purchasing land or other property interest therein for recreational use, and to raise and appropriate the sum of \$25,000 (twenty-five thousand dollars) to be placed into this fund, which shall be known as the Recreation Land Capital Reserve Fund. *The Board of Selectmen and Budget Committee recommend this appropriation. (Majority vote required.)*

Chad said that at the CIP subcommittee meetings, it was noted that the Recreation Department did not have plans to purchase outside land pursuant to this warrant article and the article does not allow the Department to use the fund to improve existing recreational land that needs improvement. The Recreation Department is asking to change the purpose of the fund to allow the improvement of existing facilities (the CIP subcommittee supported that recommendation), and to appropriate \$25,000 in 2008 to deposit into the fund for that purpose. He said the Recreation Commission would like to bring this to the voters and would like Budget Committee support.

John Wilson noted that there is currently about \$105,000 in the fund. The CIP subcommittee voted not to fund the article this year because it felt that it could not authorize the deposit of \$25,000 to the fund until it was re-designated. The subcommittee recommended changing the purpose of the existing fund and to "transfer" the accrued funds, and that once the idea was approved by the fund, an appropriation could be considered in subsequent years. The Planning Board voted to keep the appropriation of the \$25,000 out of the Capital Improvements Plan. Jessie said that there was some disagreement coming out of the last subcommittee meeting as to whether \$25,000 should be added in 2008 or 2009, and that one of the requests from the subcommittee was for information about specific uses for the fund.

Mark asked if the fund has \$105,000 in it, and the purpose is changed to allow improvements and allow the deposit of funds in 2008, would the \$105,000 go to \$130,000? Jessie said that it would. The expenses then listed by Chad in the subsequent warrant articles would come out of the fund.

Chad explained the projects recommended by the Recreation Commission, including a new septic system at Bucklin Beach (Clean Solutions), which could range from \$25-35,000. The Clean Solutions is unfortunately the most expensive solution out there, but allows the smallest footprint, which is necessary at Bucklin Beach given the small lot and the proximity to the water. Chad said that there was a leach field at the property between 1960-2000 that leached onto the Andrews property, onto their wellhead and into the lake. That had been discovered and capped, and there is now a 1000-gallon holding tank that is supposed to be pumped twice a week. Jim Wheeler asked who advised Chad about Clean Solutions, and Chad said it was initially from Peter Stanley, then Pierre Bedard, and then Jesseman Associates. He understands that it is the only septic system that would work for that size property, and that would be on the right-hand side of Bucklin Beach next to the parking lot. Jim Wheeler asked Chad to check into the Presby Enviro-Septic, which can be a little bigger than Clean Solutions at half the price, and works

beautifully, if it fits on the property. Barry seconded the recommendation given his experience on Lake Winnepesaukee.

Chad said he is not sure what's been going on with the septic system in the past, but it was pumped twice this summer. Jim noted the expense of pumping, but thought that we could pump bi-weekly for a long period of time to avoid the \$35,000 expense. John Wilson said that the Health Officer and Little Sunapee Protective Association do water testing down there, and we are not aware of any immediate health problem. Chad said that Don Bent has also been involved with the process, and recommends Clean Solutions as well.

With respect to the Bucklin Beach facility, it was constructed in 1962 and was once modified to try to conform to ADA standards. The facility is behind the times, especially given the increased use of Bucklin. It is wet and dark on the backside, and it is not wheelchair accessible despite the ramp. The bathrooms are small and do not have a lot of room for changing. His proposal is to make the entire bottom floor of the building into a bathroom/changing room facility that is properly wheelchair accessible and put a dormered second story to allow storage and lifeguard facilities, with a window and small deck to see the beach (one is currently unable to see the beach from the beach house). With assistance from Peter Stanley, the estimate is \$50-75,000 to improve the existing facility (rather than tearing down and starting over). It is a cinder block building, cape-style. He will be meeting with Gavin Campbell tomorrow to review the project.

Jim Wheeler asked Chad about doing the design and getting bids. Chad said that he would like to include the Town and have public input; he would rather not do it all on his own. John Wilson referred to the Library project, which had even more precise numbers and came in higher than budgeted. He asked Chad to firm up some numbers. Chad said that if he had to split the project and make it two warrant articles, the more important piece is the septic system. Barry said that it sounds like one project, but would recommend keeping it as two articles. Jim agreed; the septic system is a no-brainer but the prospect of a renovation is a little less clear.

Mark noted that the only tax impact would be the \$25,000 addition to the capital reserve fund.

Chad referred to the third proposal to spend money from the fund to shore up the skating rink property by making the warming hut semi-permanent, with electricity, which requires a foundation (sonotubes). This would allow the hut to be actually used for warming, with a small heater with a five-minute timer (as opposed to a "get out of the wind hut"). The last piece is a permanent stone to remember that the ice rink is the Bob Andrews Memorial Ice Rink (approximately \$1500-2000), to replace the sign that was installed in the first year and then disappeared. Jim asked for a clarification on permanent vs. semi-permanent foundation. Chad replied it will be concrete pillars as opposed to a slab. The skating rink will not change and will not have its own permanent foundation. There was some discussion about sign/stone options, including the new cemetery signs or a granite bench that remembers Bob. Connie thought the fact that it was the Bob Andrews Memorial Skating Rink should be seen by people passing by.

John asked for the warrant articles to be finalized by the next meeting. Jessie said that she would have the warrant articles prepared for this purpose, but noted that it is the Board of Selectmen, not the Budget Committee, that prepares the warrant, and the deadline is late February to fall after the deadline for petitioned warrant articles.

Noel asked about the schedule for these projects, and whether all of the funds would be spent in one year. Chad anticipates the projects to be completed in one year. Barry said the \$25,000 deposit is to keep the reserve up for future projects, and Chad agreed that he hopes to continually build the fund for these reasons, to improve current facilities.

Bob Meck asked about the competitive Master Plans, and whether there were any parameters given to the student teams or guidance from the Recreation Commission. Chad said it started out as the sky is the limit, and the professor, Greg Austin, reeled it in a little bit. Bob said there are other entities in the Town involved with recreation, such as the NLOC, and he asked if the parameters included all of the stakeholders. Chad said the first thing he did was talk to the students about the different organizations in town, including NLOC, COA, the community center, etc., so that they were not recreating what already existed. Bob commended Chad for taking advantage of the students as a resource.

Conservation Commission: Les Norman and Terry Dancy came to the table on behalf of the Conservation Commission (Bob and Emma Crane were also present). The CC budget is on page 22 and appendix J and the capital outlay for land conservation is on page 23. Les referred to the “leaps” taken to fund the capital reserve fund up to the plateau, and the return to depositing \$50,000 per year starting this year. The expectation was to use the fund towards the purchase of a large parcel of land, but that is not what happened this year. The Conservation Commission had the opportunity to negotiate with Eric Shultz, who owns land on Clark Pond and who is willing to sell the Conservation Commission a large portion of his land. Les distributed a map of the property as it relates to Bog Road and Clark Pond. The property is landlocked for the Shultzes, but we can get to the property from Town land on Bog Road. The valuation of the property, performed by Katrina Hill, came to \$245,000, and the CC believes the valuation to be reasonable. It is about 60 acres.

Terry Dancy said the Town property was acquired in two steps, the second step being the purchase of a lot of Bog Road with the idea of having access to the wetland area. The Schultz property was referred to in the last Master Plan as an area that has potential for protection, as it is part of the Lyon Brook watershed. In response to a question about the quality of the land, Les said that the land by the interstate is good high ground, and the remainder is wetland.

Les said the request for \$275,000 is not all purchase price, because there will be survey and legal costs associated with subdividing and purchasing the land. If Town Meeting approves the purchase, the CC would like to combine the two Town lots into one lot and put the whole thing into a conservation easement.

Jim asked for a copy of the appraisal, because it seemed high for land-locked land with a stream running through it. He did not think the Shultzes would be successful developing it. Jessie noted that the property is worth more to abutters than to an average person due to protection of the valuable resource of Clark Pond and the Lyon Brook watershed. Les Norman said that it is worth more to the Town. Doug asked if Jim would recommend a second appraisal, and Jim said that it is un-developable land that is by its very nature conserved. Terry Dancy said there is the potential of a public area similar to Low Plain, which experiences a large amount of use. This land has that same potential, and is almost the last piece of land of this type that remains in New London that is available for such use and to provide public access to Clark Pond. Jim asked if the Conservation Commission is advocating for use of this land, and Les replied in the affirmative, due to the presence of high ground for trails and natural habitat. Jessie repeated that one goal is to have public access to Clark Pond for kayaking and other low impact appreciation that does not currently exist. Terry Dancy said the original objective was to acquire all of the land around Clark Pond, which is the last pond of this type in NH to be undeveloped.

Jim asked if this negated the need to do anything with the lagoon property, and Jessie said that we already own the lagoon property and already have to mitigate it, so it does not save anything there. A ropes course could be done at either (or neither) location.

John Wilson asked how much was needed for the purchase, and Les said that \$275,000 would cover the purchase and the legal/surveying fees. That amount could come out of the existing capital reserve fund

and \$50,000 would also be deposited in 2008.

Jessie noted that the Town's assessment of the back land is about the same as the appraisal. Jim pointed out that if the Spencers (neighbor) purchased the property, it would create a more buildable lot.

John Wilson asked for a motion to approve the expenditure of \$275,000 out of the Conservation Land Capital Reserve Fund to purchase the Schultz property, including legal fees and surveying costs (Doug Baxter motion, seconded by Barry Wright). The motion passed unanimously.

With respect to the Conservation Commission budget, Les noted the increase to \$2000 for trail maintenance. The CC would love to spend more than that; the cost is entirely materials, and the labor is entirely voluntary. If we could get more volunteers, we could buy more materials and do more work, and he hopes people realize the hard work that goes into this.

The proposed budget would allow a forestry plan for low plain and surveys of town property. The budget will be reduced by \$6,000 due to the completion of the survey of the Lynch property, so the new bottom line should be \$10,800. There were no further questions about the proposed budget.

Meeting Minutes: Barry Wright moved to approve the minutes of October 24, seconded by Doug Baxter. Other than typos, the Budget Committee had no changes to the minutes.

Tax Rate: John asked for an explanation of the tax rate and why it was 3.80 despite earlier projections that were higher. Jessie explained the tax rate and the sewer rate setting processes and gave handouts to Budget Committee members. Mark said that there remains concern around Town as to whether the sewer costs are covered all by sewer users; rest assured that sewer-related costs are paid by the sewer users and not by taxpayers. Jim Wheeler said there is gray area about the administrative costs, such as the Town Administrator and Finance Officer. Mark replied that those administrative costs occurred both before and after the change of oversight of the sewer department.

Subcommittee Reports:

- Public Works: Barry Wright reported on the addition of a line-painting machine for \$6,000, which was the main change to the budget. Richard spent quite a bit of time talking about the gravel road upgrade, due to requests for upgrades and paving, and it was felt that these will undoubtedly come to Town Meeting as petitions and it might make sense to do something up front to give long-term guidance as to what roads would be paved. The subcommittee discussed having a system to prioritize road upgrades based on maintenance and safety issues, though the subcommittee was firm that the resident desire should not be among the criteria. Jessie said that Richard Lee prepared a capital reserve outlook for gravel road paving, which they will bring to the Selectmen and then to the Budget Committee on December 12. Noel agreed with the concept as long as there was a philosophy behind the structure. Barry said the subcommittee agrees with that approach, and that the money that gets spent is because it will actually be cheaper or safer in the long run. This does not cover all roads eventually, but only those that Richard Lee and the Selectmen recommend paving. The subcommittee also discussed the purchase of a diesel pickup instead of a gasoline vehicle, and the presentation and memo from Richard Lee were well done to support this request. Jim said that Richard's figures give a savings of \$5100 over ten years; we would have to make 6.5% on the \$6000 saved on the purchase price to cover that \$5100.
- Tracy Library: Pat Blanchard reported that the Library is much more on top of their budget than in the past. The proposed increase is primarily in personnel, including salaries and staff coverage (they are increasing their adult staff coverage in evenings and weekends). The Library is working hard to hold their budget down and is working on a serious CIP plan going forward. John reemphasized that the

Library will get their arms around their CIP between now and next year. Connie Appel said the Library has done a great job holding down their budget and staying open during the renovations. She lamented the fact that the funds dedicated to book purchase has not gone up in their budget.

- Executive/Administration: Pat reported that the biggest change to the Executive budget is the recommendation that the Zoning Administrator position become full-time, which should be covered by a proposed increase in building permit fees to come into line with other towns. In addition, there is a budget request for \$12,000 for an updated aerial flyover with ortho photos, which will allow the aerial photos to be used in conjunction with the GIS system; and a request for \$10,250 for a zone boundary survey to delineate the vague boundaries of some of the zones. John Wilson pointed out that the salaries for the full-time executive employees have all been combined in the same line, similar to the other departments.

Selectmen's Update: Mark Kaplan reported that due to an error in the bid documents, the roundabout bid deadline has been extended until noon on Monday, November 19.

Other Business:

Noel referred to his e-mail about developing a philosophy towards non-profit requests for funding. He asked Budget Committee members to think about this for further discussion next year.

Pat Blanchard said that the Bucklin Beach septic system problem is another example of the Town's lack of building planning and upkeep, and said that we need to come up with a system for keeping track of maintenance issues at all buildings. Jessie agreed and said that she would like to include funding in the 2008 budget for a town-wide survey of buildings, which would include energy consumption. There was general discussion about the lack of facilities staff.

There being no further business, the meeting adjourned at 9:15 PM.

Respectfully submitted,

Jessie Levine
Town Administrator