

**Town of New London
Budget Committee
January 20, 2005**

Present: Shelby Blunt, Pat Blanchard, Jack Diemar, Carol Fraley (Finance Officer), Jessie Levine (Town Administrator), Doug Lyon (Selectman *ex officio*), Stefan Timbrell, John Wilson, Jim Wheeler, Barry Wright.

Also in attendance: D.J. and Bob Lavoie.

Shelby Blunt called the meeting to order at 7 p.m.

Minutes – December 14, 2004

Barry Wright moved to approve. Motion seconded and unanimously approved.

Recent Changes to the Proposed 2005 Town Budget

Jessie Levine highlighted some of the changes which have been made to the proposed budget since the last budget Committee meeting.

The Sewer Commission has reported that the Joint Fees to Sunapee will be \$300,000 in 2005, not \$260,000 as originally projected, but that cost is offset by user fees.

Part-time hourly wages for the Police Department have been increased by a total of \$1000, bringing that line item request to \$10,000. She said that since the administrative assistant and sergeant will not be hired until after Town Meeting, the salary lines for those two positions have been reduced by a total of \$13,263. Similarly they have proportionately reduced the lines covering the insurances and benefits for those two positions.

In response to Jack Diemar's question regarding the substantial changes (increases) in Fire Department wages since the earlier meetings, she reminded everyone that at the time that Department made its presentation, they had not yet calculated the wage or salary increases for 2005.

Also, in response to a question from the Committee, she explained that the Federal Labor Standards Act has reclassified hourly and exempt employees. Employees in the Fire Department, Library and Zoning Administration must be paid on an hourly basis and do qualify for overtime, whether they are full or part time employees. The Fire Department is also increasing the number of hours for on-call coverage on weeknights, so that line request has increased from the originally proposed \$6000 to \$12,500.

Selectmen have increased the request for the Salary and Classification Study from the original \$2500 to \$4500, to include more positions in the study. The cost of the study is \$250 per position. The Town has 28 positions to be included. (Shouldn't it be \$7,000?)

The request for Town Meeting expenses has increased from the originally proposed \$600 to \$750 to cover increases in cost of the chair rentals and the microphone vendor.

Carol Fraley explained that the request for debt service can be reduced (by \$5400), as both the highway garage and fire station projects came in under budget. She pointed out also, that the Town has delayed borrowing on the bond, thus saving \$41,000 in interest over the twenty-year life of the bond. The projected surplus for 2004 is \$578,336.34, making a total of over one-million dollars in surplus

John Wilson asked where the tax rate is once all the most recent changes have been factored into the proposed budget.

Doug Lyon said that with the proposed budget as presented at this meeting, the unsubsidized tax rate would be \$4.02, eleven cents less than last year's unsubsidized tax rate.

Jessie Levine noted that the primary reductions are in revaluation, legal, and overlay.

Doug Lyon said the Selectmen use 7½% of the total budget as a guideline for how much to maintain in the surplus. Last year, they kept in a little more than that. They make their decision in fall. Several hundred-thousand dollars of the surplus will be used to offset taxes.

Newport Road Sidewalk, County/Newport Roads Intersection

Jessie Levine said that the Town anticipates receiving a grant of \$740,000 in fall of 2006 to extend the Newport Road sidewalk from Ledyard Bank to the Hilltop Place entrance and to do improvements to the County Road/Newport Road intersection. (The state requires a sidewalk on Newport Road before a cross walk can be put at that intersection.)

The grant will cover 80% of the total cost of this project; the Town must pay 20% or \$140,000. Selectmen would like to have an idea of what people want there before going to Town Meeting in March of 2006 with a request for this appropriation, thus \$22,000 is being requested this year to do an engineering study and some public relations work on the issue. Any unspent balance from that \$22,000 would go into the capital reserve set up for the Town's 20% of the project's cost.

Other Sidewalks

Jessie Levine said that Richard Lee is prepared to continue extension of the Main Street sidewalk, and the Town anticipates recovering half the cost--\$11,000 from affected businesses. If there is not unanimous agreement from those businesses by February 10, this line will be removed from the proposed 2005 budget. Marilyn Kidder is agreeable, but they have not heard yet from TDS or McSwiney, Semple, Bowers & Wise P.A..

Both she and Doug Lyon said that businesses benefit from having the new sidewalks in front of their establishments. In addition to providing a safer walkway, the work has allowed some extension of the road width and improved parking in front of those businesses.

Stefan Timbrell said he doesn't debate the benefits of the sidewalk and improved parking in those areas, but he asked if there is precedent for going to the individual businesses for half this cost.

Jessie Levine reminded the Committee that a grant covered 80% of the cost of the Newport Road sidewalk. The Main Street sidewalk project was begun when one business owner volunteered to cover half the cost of the sidewalk in front of his business.

John Wilson asked about the possibility of having a sidewalk down Pleasant Street from Main to Job Seamans.

Jessie Levine said Richard Lee said there is a possibility of placing a raised curb sidewalk there eventually.

Main Street

Pat Blanchard opened discussion about Main Street improvements, particularly to the Pleasant and Main intersection. She asked if the parking study were part of that.

The Selectmen will be appointing a Main Street Committee to study a number of issues. They would like to come up with a cohesive package for this projected work which would factor in the results of the parking study, complaints and suggestions from residents, the increase in traffic, the need to address the Jiffy Mart intersection (and its inherent limitations, for e.g., there is not enough room there for a light), and to coordinate in time all the Main Street work including the State's improvement to drainage and the water district's placement of a back up water line there.

The parking study found that in peak hours, parking is only at 52% capacity and that there is plenty of off street parking. The study recommended that the Town better define parking.

Pat Blanchard suggested they keep track of coordinating street lights and cross walks.

Stefan Timbrell said the committee appointed to study street lights used three criteria for determining where street lights are needed: sidewalks, intersections, and sharp curves, with some flexibility. He noted that several lights for which the Town is paying now need their bulbs replaced, and several do not meet the criteria, and may not be needed at all.

Town Hall Basement Renovations

\$18,000 was put into the capital reserve for Town Hall basement improvements in 2003, and \$25,000 in 2004. Selectmen are requesting a deposit of \$25,000 to be put into the reserve in 2005 as well.

Clayton Shedd asked what will be done in the Town Hall basement for \$65,000.

Jessie Levine said they don't know yet. The Bennett Yarger Associates' report recommended that something be done with that space, and that the Police Department be provided with additional communal space and a place for training, a gym, or other. They anticipate spending \$25,000 for a design study, and using the balance of the reserve to do the work.

Also, she noted that Milestone and the architect are now conducting a review of the HVAC problems in that building. The Town has a new HVAC contractor now.

In response to John Wilson's question, she said they hope to determine if the problem is in the design (in which case the architect and Milestone will be responsible for the necessary repairs), or if it is a regular maintenance issue.

John Wilson asked if there is some question about having the heat exchangers in the attic.

Yes, but that is where two of them already were, and now a third is there. It would be more problematic to try to get them out at this point.

John Wilson asked if an independent arbiter may be called in at some point.

If necessary.

Conservation Reserve

Clayton Shedd opened discussion of the doubling of the requested deposit into the Conservation Land Capital Reserve.

Doug Lyon clarified that the CIP Committee and Conservation Commission agreed that in order to have some earnest money in that reserve should a priority parcel become available in the near future, it would be advisable to bring that reserve balance up to half a million then drop (the annual deposits) back to maintenance level.

John Wilson asked if the Town has ever bought property with a bond.

Not that anyone can recall.

Doug Lyon said there is some feeling that purchasing conservation land with a bond would be more fair, as it would spread the payments out over the future generations who will benefit from the land.

Jessie Levine said that so far, the Conservation Commission has not felt comfortable asking for a bond.

Doug Lyon reminded the Committee that no money can be spent out of the reserve without a vote of the Town Meeting.

Health and Dental

In response to Clayton Shedd's question, Carol Fraley said Health Insurance has increased by 15.3% for everyone. In addition, the new Town Clerk is taking the two person plan, whereas the previous Town Clerk took the buy out option. Also, the Town has budgeted for the more expensive family plans for the prospective new employees in the Police Department.

Salaries

Pat Blanchard asked what the Town hopes to accomplish with the salary study. She asked if the Town is raising salaries in an effort to hold on to people when, in fact, no dollar amount would be able to do that.

Jessie Levine said the salary study will be both a wage and classification study, and will be done more impartially by the Local Government Center. That group will recommend twelve comparable Towns, and will conduct the study. In addition, it will divide positions among all Town departments into classes of similarities.

Doug Lyon said the classes will be determined based on the level of complexity within the positions.

Jessie Levine said that each class will allow ten incremental steps based on performance and experience. There remains some question about those employees whose long terms of service place them at the top of the range.

Pat Blanchard asked if the Town isn't still playing the game, by comparing its salaries to other towns.

Doug Lyon said there is a flaw in the argument that the Town is artificially inflating salaries. If that were so, the result would be a lot of people applying and remaining. The Town's experience has been the opposite.

Clayton Shedd pointed out that salaries have increased by 7% to 9% year after year. He noted that most New London employees live outside of Town.

New Business: "Mesa Building"

Doug Lyon reported that the building in Elkins where Mesa is currently located has just come on the market, and given that the Town has received complaints of, and been aware of, problems with parking, congestion and safety in the Elkins beach area including the boat ramp and the post office for some time now, Selectmen feel there may be some potential for the Town to acquire it. He noted that Mesa has indicated a wish to continue leasing it, which would mean a 10% annual return on the investment.

Jessie Levine has indication from the post office that it would be interested in participating in cost of construction for a new post office located on the "Mesa building" spot, and in signing a twenty-year lease for that spot, which would add to that income.

Asking price for the building is \$295,000; assessment is \$180,000. Jessie Levine said she has heard that two below-asking-price offers have been made and rejected by the owner at this point in time.

A \$300,000 twenty-year bond could be considered for this purpose. The Town would be working with a local bank. Or perhaps the cost of the building could be offset with surplus money.

Doug Lyon said that, in the event that the Town acquired it, but then found it would not use it, it would not be terribly difficult to resell.

John Wilson pointed out that the building is not in good shape. He also expressed concern about disrupting the band stand in that area.

Jessie Levine said there is not intention of changing Town-owned land there (actually, the band stand is owned by the Elkins Ladies Aid Society), but the Town does not own enough land in that area to ease the congestion and parking problems for the boat launch and beach areas.

Budget Committee members all agreed: the building in question is a “tear-down building”, and raised questions about whether or not it could be replaced. The Town likes to, but is not bound to, follow its own zoning regulations regarding set backs, etc. There is some possibility of offsetting the exceptions to the setback requirements with overall improvements to the site and an improved structure there. Jessie Levine said they may be able to replace the falling-down building with a less intense use, under severe restrictions and requirements. The septic there is new, with five-bedroom capacity.

Shelby Blunt asked about the possibility of a gift.

Jessie Levine said that it was not her impression that that would be a possibility.

Doug Lyon said this would have to be an article on the warrant at Town Meeting. If they go with a bond, a public hearing would have to be held before Town Meeting. The Selectmen are trying to talk to people now, and are seeking input from the Budget Committee. They will present the idea to the Citizens Advisory Committee on Saturday. The Town may want to move on it quickly enough for it to be placed on the warrant this March. Who knows if it will be available in a year? He pointed out that doing nothing to relieve congestion in the Elkins area, has its consequences, too.

John Wilson asked about liability with the dam and pond there. He agreed that something needs to be done about the congestion in the Elkins beach area, and said the PLPA would like to be kept informed about this.

Shelby Blunt asked about the small building next door to this one.

Jessie Levine said that is not for sale (in fact it was recently purchased for \$60,000, though it is assessed at \$127,000). Currently Mesa rents that as well. She added that that little building has a troublesome septic situation: it is using the neighbor’s septic system without official agreement.

In response to question from the Committee, she said that area is zoned commercial right up to the red building.

Stefan Timbrell said he feels this is an odd thing to focus on now.

Doug Lyon said one question is, is the Town better off controlling the destiny of that site.

Clayton Shedd said he likes the idea of moving the Elkins post office, but questioned spending \$300,000 on something that will have to be torn down.

Jack Diemar said he sees problems with the site’s proximity to the water there.

Barry Wright asked about moving the post office into the residential zone. He pointed out that most commercial businesses could not use this property.

Jessie Levine suggested the possibility that if the Town owned it, it would just use the land.

John Wilson expressed support of that; that is, of just fixing the dam and pond, and turning that area into an open space or park.

Jessie Levine reminded the Committee that with the building there though, the Town could be getting some money back from the Mesa and post office leases.

Doug Lyon said usually the Selectmen are asked if a proposal of this nature makes sense economically, but in this case, it may be possible that people are equally concerned about the site’s benefits for public use (as a park).

Old Business: Garden Report

Jessie Levine reported that, in studying the possibility of the Community Garden at Tracy Library Committee's being able to raise funds under the umbrella of the library's 5013C status, they have learned from the attorney general's office, that the library cannot be both a 5013C and a municipal entity. They have had an accountant remove the library's 5013C, and the Library trustees have adopted that Community Garden Committee so it can fund raise as a municipal organization.

A question was raised about whether or not they can spend gifts without going back to Town Meeting.

Yes, they can.

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The meeting adjourned at 8:48 p.m.

Respectfully submitted,

S.A. Denz
Recording Secretary