

**Budget Committee  
Meeting Minutes  
December 12, 2007**

Present:

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

Also Present: Liz Meller, Tracy Library Trustee; Sandra Licks, Tracy Library Director; DJ Lavoie, New London resident

Absent: Barry Wright

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

Meeting Minutes: Doug Baxter moved and Jim Wheeler seconded to accept the minutes of November 14, 2007. John Wilson will give Ms. Levine minor changes. Approved 8-0.

Personnel Subcommittee: John Wilson referred to the Personnel Subcommittee meeting on December 4 and described it as "impressive but not totally comprehensible." Because the Selectmen would like the Budget Committee's backing of this proposal, he wanted to make sure the Budget Committee would understand it. Ms. Levine handed out two spreadsheets: 2008 Raise Proposal and 2008 Grade Schedule Range.

Bob Meck, member of the subcommittee, said that spreadsheets that had been reviewed at past meetings included vertical rankings of employees, and the spreadsheet reviewed last week ranked the various jobs vertically so that a grade could be applied to each ranking that included knowledge, supervisory controls, work complexity, personal interaction, etc. Those factors were on one axis and the other axis contained the job position from Town Administrator to Library Custodian. As a result of that ranking, it was determined that there would be nine different levels of labor grade (from 16-5, not each one filled).

That data was put against survey data that had been collected earlier and shared back in September as accompanying data of the subcommittee's memo that went to the Selectmen. That spreadsheet compared the different jobs in New London against comparable jobs in other towns (towns were selected by the Department Heads – Town Clerk/Tax Collector for the administrative department). Also Sunapee and Newbury were included as neighboring towns, per Budget Committee request. Towns were chosen for similar work and similar populations. That was mashed together and used to recommend to the Selectmen.

Bob Meck said that the Selectmen met with Department Heads, who felt that they wanted more leeway in deciding who would get merit increases and how much. Ms. Levine added that the other comment by Department Heads is that for morale and retention purposes, no one should get less than COLA, so this recent proposal has a minimum recommendation of a cost-of-living adjustment.

Mr. Meck continued that the subcommittee meeting on December 4, it was determined that the merit column would average 1.5% of base pay, which gave the Department Heads the ability to decide whether someone would receive 0% or as much as 3% merit, but an average of 1.5% across the department. The 2008 Raise Proposal shows the bottom line by department, including COLA and merit increases, which would result in a \$66,245 increase related to staff raises (not including Firewards and Library).

Mr. Weinstein asked why the 1.5% was not applied against the midpoint of the range rather than the actual salary. This led to a discussion about the grade ranges and applicable percentage of raise.

Chair Wilson said that he understands the grade schedule range, but not how it relates to the actual employees. Ms. Levine said that this does not attempt to bring 30-year employees into a 10-year range, unless the supervisors feel that it is necessary. Doug Baxter said that supervisors have the obligation to share the range information with their employees and explain that they may be paid outside of the range already. Ms. Levine said that information will be shared with employees and has been in the past.

Mr. Weinstein pointed out that the Grade 13 in DPW, if receiving a 1.5% raise, would receive more than a Grade 13 in the Police Department. This strikes him as inherently unfair. He thinks there would be a disproportionate application of the raise. It should come from the value of that grade, not from the value of that position. He recommends that the 1.5% be applied against the midpoint of the grade, not against the existing salary. Ms. Levine said she could take a look at that approach and see where it comes out.

Bob Meck pointed out that the Sergeant position in Grade 13 scored higher than the Foreman position, and that both positions are paid higher than in other towns. Connie Appel noted that we are dealing with a small number of people, and this system gives a lot of responsibility back to the Department Heads. Ms. Levine agreed that is not the role of the Budget Committee to determine individual salaries and raises; it is the Committee's role to review the appropriation and not the method of application.

Jack Diemar moved that the midpoint raise be calculated at 1.5% of the midpoint of the range for each grade. Seconded by Doug Baxter and approved 8-0. The figure will then be calculated and brought back to the Budget Committee.

Bob Meck pointed out that the salary reviews this year reduced the 6% raise to 4.5% and the overall raise line appropriation from \$87,000 to \$66,000, in addition to the \$100,000 saved by reducing the vacation accrual.

Chair Wilson asked if there would be employee criticism due to the fact that each department chose its own towns. Ms. Levine said that was done at the request of the Budget Committee (which also asked to include Sunapee and Newbury), and that the towns that compare to each department are different. For instance, comparable towns to the Police Department, which handles a college and has a dispatch center, might be different from towns that have a Public Works Department that handles sewer. Ms. Levine added that she did not think the choice of towns benefited the departments in any way.

Tracy Library: John Wilson gave a brief background on the Capital Improvements Plan work performed by Liz Meller, Bob Bowers, Lisa Ensign Wood, and Sandra Licks. As a result, they came up with an additional amount for the Library's CIP of \$48,000, based on a 10-year anticipated need of \$480,000. Chair Wilson said this has not gone to the CIP subcommittee or the Planning Board, and asked if this could be put into the budget even though it was not in the CIP. Ms. Levine said that it could; the CIP is a recommended ten-year plan to assist but not dictate the budget process, and the Budget Committee can approve any additions to the budget.

Prior to this meeting, Chair Wilson had asked Bob Bowers how specific these figures were, and Bob had said that these were to the best of their knowledge at this time. Chair Wilson asked the Budget Committee if the additional \$48,000 should be considered without the detailed information. Mr. Weinstein said that any number is okay as long as it can be adjusted when more specific information comes. Ms. Levine agreed, but said that some numbers are not final until the bids arrive, and even then they can exceed estimates.

Ms. Licks proceeded to talk about the current Library project, which is up to \$290,000. As soon as an old building is opened up, there are interconnected problems and costs and money needs to be socked away to address what comes up. Liz Meller also pointed out that nothing had been put away for maintenance in the past, so they were in dire straights when the sewer pump broke in the middle of the construction

(smelling like methane in the basement), and when tests in the basement confirmed mold. They have now ripped up carpet and will have to go into the walls to see how far the mold damage goes.

Ms. Levine asked if level-funding at \$48,000 per year makes sense or whether it should be front-loaded for more immediate needs. Mark Kaplan said that historically speaking, the Library has been independent of the town and raised the money individually to refurbish the building back in the 1990s, which gave them the ability to stand on their own. The discussion seems to be changing the philosophical approach to how the Library has been run; if the Trustees are not going to keep the building in shape by raising funds, then the Budget Committee and Board of Selectmen and public should not allow the building to fall into disrepair. The question is: is this a change in philosophy from fundraising independently versus taxation? Chair Wilson asked about Library fundraising in the future. Ms. Licks said the more immediate concerns would be addressed through taxation but other “want-to-do” projects, such as the children’s art room, would lend itself more to fundraising than fixing the drainage of the front walkway.

Ms. Licks said that people in Town feel like this is a Town building, and the Town should support its maintenance. Mr. Weinstein agreed, and referred to his list of criteria for non-governmental support, the top of which is a service that the Town would fund and covers a significant portion of population or contributes to the town’s viability and common values. So the Library meets Mr. Weinstein’s top two criteria for what should be supported.

Mr. Diemar asked if it would be possible to have someone come in to have a professional estimate and priority in work. Ms. Levine referred to Peter Stanley’s suggestion of a small volunteer committee to look at all of the buildings (this would only be a handful of buildings, as the Public Works and Fire Station are in good shape and under regular review and maintenance). Doug Baxter said this discussion has been going on since he first came on the Budget Committee, when there were roof issues on the Town Hall that needed immediate attention. This is not a new subject.

Jim Wheeler asked where this list came from, and Ms. Licks said that it came from this small oversight subcommittee of the trustees. Liz Meller commended Ms. Licks for coping with all of this in her first year as Library Director. Jim Wheeler said that not all items on this list might be needs; some may not be cost-effective.

Chair Wilson asked if the fund were to be front-loaded and then it was adopted next year, would the first appropriation be applied against it? Ms. Levine said that it would; the existing balance would go against the 10-year liability of the CIP, and the 10-year needs would be reviewed annually.

Pat Blanchard asked if this list could be prioritized with a timeline, and all agreed that should happen. Discussion focused on the \$250,000 front entryway anticipated cost, which seems high. Liz Meller said that Foremost made suggestions to keep the snow off and water away from the building. The front entryway was postponed because of the cost of the entire project, but also the front entryway would require a bomb-proof book drop box, and handicapped doors, and an additional bathroom. Sandra said that was the only chunk that could be cutoff and still get the majority of the project completed.

Chair Wilson suggested appropriating funds for the next year’s budget with a caveat that they return with more information for the CIP process. Ms. Levine once again suggested frontloading the deposit to address immediate needs. Chair Wilson recommended \$70,000 in addition to the \$20,000 already in the budget for depositing. Ms. Appel recommended increasing the proposal to \$96,000 (two years worth of need), in addition to the current appropriation, given the speed with which problems are being discovered. If we put more than necessary this year, it reduces the need for future years. She would rather be safe than sorry.

Mr. Wheeler said that in 2008, \$300,000 may be necessary if the front entry is included. Ms. Appel said that she thought the \$50,000 of re-grading around the outside is essential, since it does not make sense to do anything inside without addressing the water drainage. Ms. Levine said that her concern is not just this list, but the items that are found on an ongoing basis that may need to be addressed right away.

Mr. Weinstein asked if there is a general contractor, and Ms. Licks said that there is for this specific project but not for the overall work.

Jack Diemar said there could be at least three years of front-loading, after which we could still be left with \$480,000 in needs at the end of the three years. Ms. Blanchard said that we have not addressed what would come out, and Ms. Levine said that the Trustees and Board of Selectmen are agents to expend the Library Capital Reserve Fund, and therefore could spend out of the fund if the money is available. The fact that both boards would have to be involved would allow double the oversight of the funds. Ms. Levine said that the discussion should be putting money into the fund; money will not be spent out of the fund until actual needs and costs are identified. The idea is to have money available if needed; not to spend money needlessly.

Mr. Diemar said that his approach would be to not consider this request as CIP, but as pressing maintenance needs and not long-range planning. The present need is more important and needs to be addressed.

Pat Blanchard moved to budget a total of \$100,000 (in other words, an additional \$80,000 than what is in the draft budget). Jim Wheeler seconded. Motion unanimously approved.

Ms. Appel said that with respect to Mr. Kaplan's comment about a shift in philosophy, the overwhelming support for the bond article at the last Town Meeting was an indication of Town sentiment in support of the Library. Chair Wilson pointed out that we just added 8 cents to the budget due to the Library's request.

Roundabout: John Wilson asked for a better description of costs and our exposure related to the roundabout. Ms. Levine passed out a spreadsheet that compares the May and November bids, which was prepared at Mr. Kaplan's request. In May, the base estimate for the roundabout, County Road, and Water Precinct projects was \$880,000, and the base bid was \$1,131,468, or about \$251,000 over the estimate. Ms. Levine explained that the Highway portion of the base bid related to the reclaiming of the portion of County Road from Hilltop to Little Sunapee Road, which was outside of the roundabout project but put to bid at the same time. Jim Wheeler pointed out that \$700,000 was approved by the Town based on the estimate of \$619,000.

Mr. Kaplan explained that the November bid was only \$76,000 over the estimate, so the bids came down significantly despite the addition of the Hospital water main project. In terms of reaching the budgeted goal, Ms. Levine has asked the Hospital and Water Precinct to make contributions towards the Mobilization, Traffic Control, Flaggers, Police, which would reduce the Town's cost by about \$40,000.

Chair Wilson asked where the Hospital's portion of the project shows up in the accounting, and Ms. Levine said it was included in the \$433,849 non-participating costs.

Ms. Levine explained that she had added \$50,000 to the proposed budget to cover \$26,000 of engineering oversight of the project and utility relocation and any contingency. The Budget Committee consensus was to approve the \$50,000 request. DJ Lavoie asked what would happen if the State did not increase the grant, and Ms. Levine said it would reduce incoming revenue for the project and the project would be unable to go forward.

Budget Changes: Chair Wilson referred to the spreadsheets summarizing changes to the budget since the last meeting, and asked Ms. Fraley to walk through them. Ms. Fraley said that all of the employee-related wages are self-explanatory and are based on the recommendation of \$66,000 for staff wage increases. That could change slightly based on the “Noel amendment.” Ms. Fraley said that the Legal line was increased due to the costs of the franchise renegotiation. Ms. Fraley explained that there is a new category for employee tuition reimbursement, which had been paid out of the Selectmen’s Discretionary account, and we have had more employees taking advantage than we thought and have overspent the Selectmen’s Discretionary budget this year. This led to a discussion about the tuition reimbursement benefit, which all agreed was a good employee benefit.

Ms. Fraley said that the planner fees reflected the reduction of Ken’s hours due to the completion of major regulation updates and the increase in Zoning Administrator hours, but the Planning Board voted last night to ask for \$37,500. Jim Wheeler moved to keep the fees at \$35,000, seconded by John Wilson and approved unanimously.

Ms. Fraley referred to the building changes, including the energy audit (blower door test). Jim Wheeler said the new infrared technology has improved so much that the blower door test may be necessary and would suggest that this be looked into more fully. Mr. Wheeler said that Shakes-to-Shingles is used a lot with the infrared technology. Ms. Levine said that she did not think that the Energy Committee would argue the method or the buildings tested, but wanted to make an example of the energy consumption of a building. We will try to refine the energy audit figure for January.

Ms. Fraley explained the cost related to expanding the West Part Cemetery. The Trustees can vote to give the Town some of the perpetual care funds for the maintenance of the cemetery, so we will recover \$15,000 for perpetual care that will offset the \$20,000 expense, plus an additional \$5,000 in other trust funds, so it will be a wash.

Discussion about the Fire Department request for \$5500 to repair the radiator on the ladder truck. Mr. Baxter recommended Barr’s Stop Leak for the radiator. Ms. Levine will pass the comment on to Chief Lyon.

Discussion of sewer lagoon expense (requiring professional engineer); building expenses; Bucklin Beach building.

With respect to Bucklin Beach, Chair Wilson asked if it needed to be done and whether Chad was working with people who knew what needed to be done. Ms. Levine explained that he was working with Peter Stanley and an architect on the building design, and with Pierre Bedard on the septic plan. With respect to the building itself, Chair Wilson asked about the storage/bathroom design, and Ms. Levine explained that the entire first floor would be renovated to be all bathrooms and changing space, and the second floor would be used for equipment storage. The Budget Committee would like to see the current plans.

Ms. Fraley referred to the gravel road capital reserve plan, which will deposit \$76,000 per year and expand as shown on the proposal to pave roads. She added that the Budget does not yet reflect that \$30,000 will be removed from the gravel road upgrade budget in the Highways & Streets budget. That will be corrected next time. The Budget Committee reviewed the list of anticipated changes for the next Budget Committee meeting, and agreed to reinstate the \$25,000 for the Recreation Capital Reserve Fund subject to Town Meeting approval of changing the purpose of the fund.

The Budget Committee also reviewed requests to fund stray cat treatment, contribution to the Red Cross, request from Messer Pond, and the Little Sunapee request for additional funding for milfoil treatment.

Public Hearing: Ms. Levine handed out the Draft Budget Information Packet. The Budget Committee set the public hearing date for February 6, 2008, which leaves time for a continued hearing the following week, if necessary.

There being no further business, the meeting adjourned at 9:30 PM.

Respectfully submitted,

Jessie Levine  
Town Administrator