

APPROVED
Town of New London
Citizens Advisory Committee Meeting
February 28, 2009

Present: Mark Kaplan, (Chair), Tina Helm, (Selectman), Larry Ballin, (Selectman), Bill Clough, Bob MacMichael, Peter Messer, Peter Bianchi, Barbara Brown, Ann Loeffler, Jack Harrod, Howard Hoke, Gary Markoff, David Harrison, Bob Lavoie, D.J. Lavoie, Michael Doheny

Also present: Richard Lee, Dave Seastrand, Linda Hardy, Chad Denning, Marilyn Kidder, Sandra Licks, Rick Anderson, David Dunning, Liz Meller

Mark Kaplan opened the meeting at 7:35 a.m. by announcing that they would discuss two issues:

- 1) Article 3 - a bond for the Sunapee Wastewater Treatment Plant
- 2) Article 25 - authorization for the Board of Selectmen to reduce the operating budget in the event of revenue shortfalls or expenditure increases resulting from the State budget.

David Harrison asked for information regarding the State stimulus package as related to lost revenues and Mark Kaplan responded that he would answer that when they discussed Article 25.

Gary Markoff asked if there had been any response from Paul Hodes office about the probability of receiving any money for this project (wastewater treatment plant); Larry Ballin responded that yes, they have a line into Paul Hodes' office, but the demand for stimulus money is so great that it is still a moving target; however, the Town is in line for receipt of it and some of it may be in low interest loans. The municipalities are objecting to distribution of these monies through the State because the State (Governor Lynch) is looking to distribute the monies to education, which will not help the municipalities with lost revenues. Richard Lee stated that to his knowledge there would be 50% grant money and 50% low interest loan money and it would be distributed through the Department of Environmental Services. He also stated that the Town had submitted the necessary paperwork for the wastewater project.

Jack Harrod asked what would happen if the Town received the money for the project and Mark Kaplan responded that the Town would then pay off the bond with that money.

With no more questions regarding Article 3, Mark then moved on to Article 25. He stated that this Article was in reference to the Highway Block grant and rooms and meals tax revenues, which amounted to approximately \$300,000 and the possible closing down of the district court in New London from which the Town received rents of \$35,000 (the State closing would move any court cases to Newport). Dave Seastrand stated that the extra time for officers to appear at court and the cost of tracking the data of court cases depended on the number of cases versus the number of cases heard, but would cost approximately \$20,000. Mark Kaplan stated that in case the State decided to cut any and/or all of the expected revenues for the Town, the Board of Selectmen were asking to be allowed to make certain cuts (amounting to 5%) to mitigate those losses to some degree.

Gary Markoff asked what percentage of the court cases were related to traffic and where did the revenues go from those cases? Dave Seastrand responded that it was approximately 50% and that the State received the revenues.

Jack Harrod asked a procedural question: why, if New London was in Merrimack County, are the Town cases being heard in Newport, which is in Sullivan County? Dave Seastrand responded that New London already had family and juvenile court cases heard in Newport and that the county prosecutor could present cases in other counties.

Peter Bianchi wanted to know how much of the budget was operating dollars? He stated that he was opposed to having the Selectmen given carte blanche authority (after the fact) regarding the budget. He went on to say that he

was in favor of the 5% cut, but he felt that the townspeople should be determining at Town Meeting what cuts should be made, and that the Selectmen could determine what to present at the Town Meeting by amending those particular warrant articles in question and/or those that may not be funded by the State. He went on to say that there was monies in the Capital Reserve that cut be used to offset the 5%. Mark Kaplan pointed out that in using the Capital Reserves monies, the Town would be making a mistake by not having monies set aside for the Capital Improvement Plan allocations in the event that there was a dire emergency to replace equipment or other emergency expenditure. Mark Kaplan re-stated that this Article allowed the Selectmen to have a tool that would help them to mitigate the losses in the event that the State cut anticipated revenues to the Town. Tina Helm stated that even if the Selectmen were give this authority, their meetings would still be open to the public and the public could make their wishes known at the meeting(s).

Howard Hoke stated that he tended to be in agreement with Peter Bianchi and that if he understood the Selectmen correctly, the budget sets the tax rate and the Selectmen are required to operate within certain parameters of the set budget. If the State cuts revenues, that would impact the budget and if the budget was cut on the front end, there would still be a dilemma on the back end of it because there would be a shortfall and there would still need to be some allowance (on a temporary basis at least) for the Selectmen to have the discretion to make adjustments to the budget in the future due to the set tax rate.

Peter Bianchi asked if the Budget Committee would be involved with the decision to make additional cuts and Mark responded that the mechanics of it had not been established, but he had no objection to including the Budget Committee in the process. Jack Harrod interjected that that should be included in the Article. Larry Ballin stated that the flip side of not passing the article would be that the cuts come through from the State and the Town doesn't have enough money to cover them, which in turn will make the tax rate go up. He went on to say that while the Article may not be worded perfectly, the concept is absolutely correct and at the end of the day, the Board of Selectmen are elected to do the heavy lifting on this. It is all done at public meetings as Tina said, and you will find in the minutes of the last meeting, there is a real chance of being forced to create layoffs from this. He and Jessie will be in Concord on Monday to help protect municipal rights from getting downshifted. Mark Kaplan stated that in the last analysis, the townspeople will have to trust their elected Selectmen to make these decision(s) in an open and transparent way and that was what the Article was all about. The Selectmen hope to hold the tax rate even with or slightly lower than it was a year ago.

Howard Hoke stated that it seemed to him the only other option available in the future would be to have a special Town Meeting which would be considerably more expensive and time consuming, in turn requiring more expenditures and the raising of more revenue. He asked that the Selectmen put more emphasis on the term 'open meeting' and the resulting decisions being made at these meetings. Larry Ballin clarified that there is no such thing as a closed Selectmen's meeting, with one exception being the discussion of personnel issues.

Jack Harrod stated that the Selectmen should point out with each Article prior to Article 25 where the budget has already been cut because it is not obvious to the townspeople that the Budget Committee has done this.

Michael Doheny asked what the balances were for the Capital Reserve Fund and if those projected figures and the Articles could be included on a one page handout at the Town Meeting so that everyone could see the precise balances in relation to the warrant. Larry stated that it is included already in the Budget report, but not in the Article itself. Howard Hoke suggested for future use to insert a column that would give the balance(s) for each line item.

Ann Loeffler suggested that Mark might want to make a brief overview statement at the Town Meeting to let everyone understand where the cuts have already been made.

Gary Markoff asked when the pension bill would come back to the Town and Mark Kaplan responded that the State would not tell them until after July 1st. Bill Clough suggested that because there were only thirty minutes left for the meeting that they move on and hear from the Department heads and Larry Ballin offered to speak with Gary after the meeting to answer his concern regarding this issue.

Mark Kaplan asked Linda Hardy how she felt about the proposed \$5.00 motor vehicle fee increase. She stated that it was another revenue source and that they had all been asked to find other revenue sources. Larry Ballin interjected a concern was that a bill was being introduced in Concord this week allowing registration where

purchased (at auto dealerships) and this would mean lost revenues for New London. Linda responded that she was on the Executive Board for State Town Clerks Association and they had a meeting with the Clerk for the Automobile Dealers Association last week where he agreed in writing to amend that legislation so that revenues can come to the towns where the buyer(s) reside. She stated that there were concerns about the dealership establishing residency, which is something that town clerks do now and that the dealership(s) would expect things that would establish residency that the town clerks do not. It would be a pilot program to run in Nashua. The State will only agree to it if it doesn't cost the State anything. She went on to say that they would want to do renewals as well. Larry Ballin said that it was a dangerous precedent to be setting and it would be a revenue issue for the Town.

David Harrison asked about Article 4, stating that in context with the lower expenditures for 2009 (from those of 2008), what services were not being provided? Linda responded that the insurance bill was quite a bit less and that Carol Fraley would be the one to ask regarding that information.

Dave Seastrand said that the Police Department had applied for four grants in an effort to find outside revenue sources. The department had asked for two vehicle replacements, but was going to have just the SUV replaced since the repairs would be too expensive in the long run as compared to the outright purchase of another four wheel vehicle. Other efforts to cut expenses will be less driving (more parking), using new green batteries, no idling. The department is currently looking around for a replacement four wheel drive vehicle that meets the department's needs - dealerships generally will call ahead to find out what is needed and when something comes in, let the department know and it is usually at a reduced price. The department was hoping to augment dispatching but has decided against hiring additional help. Dave commented that the basement work being proposed on Whipple Town Hall was being done by the police staff and would be around \$60 per square foot and would not have any impact on the tax rate. Mark Kaplan interjected that the department was offering a tour of the basement to the townspeople scheduled for March 5, from 1 to 4 p.m. and if anyone is unable to attend during that time, they could contact Dave Seastrand, at 526-2626 to arrange a time prior to Town Meeting.

Peter Bianchi asked how much space was available in the Court (in the event that it moved out) and Dave responded that he didn't know, but it would be something the Selectmen would decide (who could or should use that space). Mark Kaplan stated that it is a one or two person office space. Larry Ballin interjected the Selectmen are asking for permission to enter into a rental agreement if that space does become available and there is a suitable tenant. Peter Bianchi responded that he is against the Town being in the rental business and Larry Ballin said it would be to other municipal entities, i.e. the school district, child/family services, etc. He also said that if anyone took a look at the basement, they would see what bad shape it is in and that it needs help. The costs have been brought down from \$350,000 to \$150,000.

It was discovered that Article 30 (permission for the Selectmen to rent the Court space in the event that the Court is closed) had been inadvertently dropped from the copies of the warrant that the members had and that the Selectmen would look into having corrected copies available for Town Meeting.

Chad Denning gave a brief overview of the Recreation Department's efforts to contain costs and raise revenues. He stated that even in the economic downturn, the Jack Frost dinner, had been a success and raised approximately \$4,000, which he is planning on using to offset hiring an assistant for the summer. He stated that programs such as this and other social programs for families, (i.e. through the library as well), were being utilized more and they were focusing on more programs for the Town. He stated that the revolving fund was key in allowing the department to creatively build programs that in turn make money (to offset these programs), citing the ice skating rink as an example.

Richard Lee stated that the Highway Department had cut back on plowing hours and sand use in an effort to defray costs. He also commented on the capital outlay for new equipment and the need for these pieces, in particular the truck. He said that all the machinery would have substantial repair issues if not replaced, but that the truck alone would cost about \$10,000 to repair and would not be worth as much on a trade-in if they didn't buy another truck now. He stated that it was a service issue as well as costly equipment repairs.

Howard Hoke suggested an idea regarding overtime costs: basing overtime on an 8 hour day and then having the person go home an hour and a half early on Friday. He is committed to a 40 hour payroll and this allows him to keep all his employees; they are getting more time off and it doesn't eat into their vacation time. Linda Hardy said

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that the non-exempt employees have the option of getting paid time and a half or taking comp time at the end of the week, if they are truly over 40 hours.

Gary Markoff asked what the distinction was between the Highway Equipment Capital Reserve Fund and the New Highway Equipment Capital Reserve Fund? Richard Lee responded that the original Capital Reserve Fund was to replace existing equipment and there was nothing in place to purchase new equipment that the Highway Department did not already have and this fund would save the department money by purchasing that equipment versus renting it.

Sandra Links stated that the 2008 library statistics were up about 2% over 2007 and that more people are borrowing books, cds, and dvds and more people are using the public computers to fill out online employment applications. She stated that most of the cost savings in Article 8 of the warrant comes from the retirement of their custodian and that the library will be outsourcing items like cleaning to the same company that cleans the Town Hall, lawn care to the Highway Department, and other daily things will be done by library staff. There will be a tour of the library on March 31, from 4 to 7 p.m. with a special recognition of Ray (the custodian) at 5:30 p.m. She also stated that on Article 14, the library was asking for more money to continue repairs on the library because these repairs have been deferred for too many years.

Howard Hoke asked Richard Lee about the new Highway equipment costs and if they were based on his judgment or typical market values. Richard responded that the dealer had quoted a \$10,000 savings on the vehicles, two extended warranties that added up to \$10,000, plus a \$5,000 rebate for a total of \$25,000 savings if the Town bought both vehicles this year. Larry Ballin interjected that both the CIP and the Budget Committee approved the purchase of the two vehicles this year based on the savings to be had.

Gary Markoff asked if there was any storage capacity for gasoline and/or sand in order to inventory consumables? Richard responded that it would not be possible to stockpile on site as the department does not have a facility for that. It would involve astronomical costs for putting in a tank of that size as well as the permitting, which takes a year and a half to obtain. He stated that currently the department is only paying \$.03 over the supplier cost. Gary asked about locking in lower prices now and Larry Ballin interjected that it has proven to be risky to do that even though current prices are down.

With no further questions, Mark Kaplan thanked everyone for coming and the meeting adjourned at 9:10 a.m.

The next scheduled meeting is March 28, 2009 at 7:30 a.m.

Respectfully submitted,

Camille Holmes
Secretary, Town of New London