

**TOWN OF NEW LONDON  
BUDGET COMMITTEE  
NOVEMBER 17, 2008**

**PRESENT:** John Wilson (Chairman), Connie Appel, Doug Baxter, Ann Bedard, Celeste Cook, Bob Meck, Noel Weinstein, Jim Wheeler, Barry Wright, Jessie Levine (Town Administrator), Carol Fraley (Finance Officer), Tina Helm (Board of Selectmen's Representative)

**ALSO PRESENT:** Mark Kaplan (Selectman), Kent Wheeler, Tina Naimie, and Terry Leblanc (New London Hospital), Richard Lee (Public Works Director), David Seastrand (Police Chief), Jason Lyon (Fire Chief), Sandra Licks (Library Director), Chad Denning (Recreation Director), and Nancy Friese, Erle Blanchard, Chuck Curtis, Hardy Hasenfuss, and Kay Butler (Council on Aging), DJ Lavoie (New London resident)

John Wilson called the meeting to order at 7 p.m. He stated that the New London Hospital representative, Kent Wheeler, would give a presentation for the ambulance service, and then Jessie Levine introduced Camille Holmes, recording secretary, and asked that anyone speaking to please identify themselves for recording purposes.

New London Hospital: Kent Wheeler, Director of Emergency Services, began his presentation with a history of the services at New London Hospital, which runs the emergency services 24/7, 365 days of the year, and is permanently staffed with paramedics and EMTI (intermediate level). The ambulance responds to emergencies from Grantham in the north to Warner in the south and from Sunapee/Newport area to parts of Andover. The Hospital in the last year staffed a second ambulance that operates from 8:00 a.m. to 4:00 p.m. Monday through Friday. This crew was hired to help out with the transfer of citizens to and from New London Hospital and Dartmouth Hitchcock Medical Center. During the fiscal year 2007-2008, these crews responded to approximately 480 calls from New London. According to software used by the state for ambulance/emergency calls, there were assisted/aide calls from Newport and Andover twice in the last year.

New London Ambulance also participates in community health fairs, working with Police and Fire Department training, and participates in learning experiences at the elementary and middle schools, and helps with the football games at the high school. New London Hospital has been able to keep costs down over the last few years even with the increase in petroleum-based products and inflation, which is reflected in the services submitted to the town. Over the past several years, the service has been able to use a more paramedic/ intermediate model that gives a better opportunity to provide assessments and competence of care in the field. The past summer saw a large transition of staff (which happens sometimes) and that left the service struggling at times to cover the ambulance service, but they were able to do so. Currently most of the full-time positions are filled, the per-diem pool is being built up, and they have also been able to hire a new ambulance supervisor, Robert Gould. Going forward, they continue to strive for the best service model that can provide quality care at the scene, continue to address community concerns and control fees.

John Wilson voiced a concern that there is a second ambulance being used for transfers and that more and more the Fire Department is being called to be the first responder. He asked Kent to comment. Kent replied that the rumors were not totally unfounded and that he believed that John was asking two questions: 1) the Hospital put on a second ambulance to provide help for 911 assistance when it was not doing transfers or otherwise engaged. One of the main reasons for doing this was to help cover the operating loss in a good faith effort to offset costs; 2) if just another 911 vehicle is being added without offsetting revenue, the town would be looking at expenses that would double or triple the costs of operating the 911 service for the area.

John asked if the Hospital still had three ambulances and Kent replied that it did, with the third ambulance being kept as a backup for the other two (one is a 1997 vehicle and the other is a 2000), but the Hospital worked very hard to keep them all maintained. John asked Kent if more transfers were being done to help keep costs down and Kent responded that they are doing as many transfers as are needed. The fact that transfers helped defer costs was a plus in keeping costs down, but the main purpose for the third vehicle was being able to go out on 911 calls provided staffing was available.

Tina Naimie interjected that going by the numbers, in 2006, there were 304 transfers, in 2005, there were 262 transfers, and in 2007, there were 270. All were based on need. This year the count so far is 334, which is an increase, but in the four-year spread, it bears out why they are being used. John asked if they were in fact relying more on the Fire Department to be the first responder and Kent replied that he believed it was due to the transition of staff this year, with a lot of people moving on to different jobs or going back to school, leaving the service unable to staff the second vehicle on a regular basis. If the first vehicle was already responding to another call or was responding to a call from another community, then yes, the Fire Department would be called. Kent stated that he did not have any accurate figures on how many times the Fire Department was called out.

Terry Leblanc gave an example of a situation that could occur: if a patient needed to be transferred to Dartmouth Hitchcock Medical Center and the second ambulance crew was out on another town assistance call, that left the 911 ambulance crew available to do transfers; however, with the shortage of staff that the service was experiencing this past year, it meant that they couldn't do all the calls and that was why the Fire Department would be called as a first responder in some instances. There was not a way to figure out how often that would happen, so it was not a case of not being available, just a case of not being immediately available.

Noel Weinstein asked if this created a problem for the Fire Department and Jay Lyon responded that he didn't think it was a difficulty as the Fire Department had hired a full-time EMT, and looking at the breakdown of areas/calls and responses, one of the things that had increased was the 911/EMT calls that he, Karl, or another EMT answered. In other towns there are rescue squads, but in New London the ambulance service provides that and therefore needs an assist if they are already out on a call or transfer. Jay stated that the second ambulance has been available to do the transports and his only concern is that an ambulance wouldn't be around town when the Fire Department was out on call, but didn't think it was a "problem." For the service that is received from the Hospital, he thinks it is less costly than having to run the service through the Fire Department or a private EMS service.

Noel said that looking at the numbers, either the transfer service had become more productive or something because the service cost has remained flat, even with inflation. Tina Naimie responded that it wasn't how many runs or how well they paid, but it was that transfers pay better, and so unfortunately that sometimes meant a decrease in availability for local runs. Noel stated that he found it exemplary that the service could increase productivity while keeping the costs flat.

John Wilson asked if the ambulance has any contractual arrangements with any town and Tina replied that did not have a written contract with any community it serves. Kent also responded that he had tried to get software comparisons to determine how many times the service is called on the weekends and how many times they have had three vehicles on the road at the same time, but it just goes into the pool of information and so the hope is that they can fix the glitch by being able to staff the vehicles the way that they want to so they can then have a more consistent service availability. Noel asked if the communications between the fire department, police, and ambulance service was adequate and Kent replied that he thought they were better off than most.

Barry Wright stated that the ambulance budget showed a larger increase in charges collected for next year (projected), as well as in mechanical costs, but he didn't see how the service would be doing in FY08 unless there was another page he didn't have. It looked like they were going from \$560,000 to \$678,000 from one year to the next. Is FY08 doing better than the budget figures? Tina replied that they didn't have actual figures and Barry asked if it all was in anticipation of more staffing. Tina's response was that it was for services received and Barry responded that he understood that, his question concerned the percentage amount of the increase being so large. Tina said that the increase resulted from better negotiation of rates with commercial payers and better payment from Medicare. Ann Bedard asked what the fiscal year was for the service and Tina replied that it ran from October 1 to September 30.

Mark Kaplan asked if the service has two ambulances fully-staffed at all times (24 hours a day) and Kent replied that they have one vehicle fully staffed 24 hours a day 365 days and one vehicle that is staffed from 8:00 a.m. to 4:00 p.m. Monday through Friday and then one staffed occasionally on the weekends, depending on the need and availability of staff. Most of the staff have pagers and if the ambulance is needed a staffer will be paged.

John Wilson thanked Kent, Tina, and Terry for coming.

Council on Aging/Chapin Senior Center: Chair Wilson moved on to the budget item for the Chapin Center, which he stated looked to be asking for the same funding of \$20,000 as last year.

Bob Meck raised the question of the towns being serviced in the health category; that it appeared that their best client was the Town of Andover, going from 3,200 to 5,010 and were they going to be assessed appropriately? Nancy Friese responded that no, they have not asked for an increase in monies and that those numbers were based on the 2007 program for walkers. She also stated that they have started a walking program in the Outing Club facility in the middle school. She asked the Budget Committee to note the fact that there have been no increases to the budget this year and that COA raises 70% of their costs privately. Every year the Budget Committee encourages them to seek outside funding resources and increase their fundraising efforts and she wanted to point out that they have implemented a business sponsor program last year and this year. They have also taken over the New London Hospital book sales for this coming July as well as the New London Hospital rummage sale. They have increased the mailing base for their fundraising letter by 2000 people and are seeing a good return on that. The rides for the Town of New London went from 639 to 652 rides being given to New London residents this year.

Jim Wheeler asked what the surplus amount was for this year and Nancy responded that they do have an endowment fund from the building campaign for building purposes. She turned the floor over to the COA treasurer, Erle Blanchard (COA), who explained that with the building endowment fund, there were restricted donations made and those are the funds that currently have a balance. He stated that those monies should not have been included in the line items submitted to the Budget Committee as they are restricted monies and separate from their operating budget. The end-of-year auditor told them they should be reporting these monies as restricted income funds which can only be used in certain and specific contexts.

Noel asked if they had given any further consideration to having a fee structure for added revenue. Nancy responded that COA did not see the need, and combined with the fact that people were donating more this year, the membership did not want it.

Connie Appel asked if they had any projected figures for the book/rummage sales and Nancy replied that the chairman of that committee was hoping to raise \$5-\$10,000, but with the rate that the books were

coming in, she was hoping it will be more; the rummage sale has no projection as yet, donations are slow in coming.

Bob Meck stated that it looked as though their business sponsored income was going to have a short-fall of \$3,000 and Hardy Hasenfuss interjected that he and another colleague from the board had contacted numerous businesses two, three, and four times and that some have promised to contribute but have not done so. He stated that it is very tough to get money from businesses these days. Bob replied that he noticed most of the names on the list were New London businesses and noted that businesses in other towns could be called to ask for contributions.

Nancy asked if everyone has been receiving their newsletter and stated that they had decided to follow suit with other centers and send a newsletter every other month. Bob Meck suggested that they change the content and frequency of the newsletter and use the internet more.

John Wilson thanked COA for its presentation.

Other Non-Profits: John Wilson asked if there were any other groups present that wanted to speak. Jessie Levine asked if there were any other groups that the Budget Committee wanted to invite to the next meeting. John Wilson said the Chamber of Commerce looking for \$10,000 and asked if they should come in and do a presentation. Noel asked if the Chamber was affiliated with the national chamber organization and consensus was it was. It was confirmed that the Chamber did not need to come to a meeting and John asked about the Community Action Program, which Celeste works with quite a bit. She stated that they offer wonderful services, i.e. bus service into Hanover and Lebanon, and were well worth the expense. Next on the list was the Upper Valley/Lake Sunapee Regional Planning Commission, which Jessie stated concerned the membership dues that provided a variety of services such as household hazardous waste collection, assistance with grants (such as the safe routes to school grant), etc.

There were no questions and concerns regarding the VNA, so John moved on to the Red Cross, which Carol stated was not in the budget. John reiterated that the question was did the Committee want to support any new charities or not. Last year they had been told no and the committee told them they could present it again the following year. Barry Wright stated if they wanted to make the plea it should be presented at the Town Meeting, that he felt it was a philosophical issue versus a numeric issue.

Ann Bedard asked Jay Lyon if the Red Cross had offered aid to families affected by fires, and Celeste Cook responded that their letter states they had in the fiscal year 2008. Jay stated that as far as he knew Lisa Crockford had stayed at her sister's place and he wasn't sure if the Red Cross had supplied any support. Barry made a motion that the committee's response to the Red Cross should be that it was a matter for the Town Meeting to decide whether or not it wished to donate to additional charities and/or non-profit organizations and if the Red Cross wanted the town to consider it, they should petition for it at the Town Meeting. Celeste Cook seconded the motion and it was carried unanimously.

Meeting Minutes: John asked if there were any additions and/or corrections. John clarified with Richard Lee that it was the cost to remove Freon from appliances (at the stump dump) that was going up. With no further additions and/or corrections, a motion was brought by Barry Wright to accept the minutes, seconded by Noel Weinstein, and carried unanimously.

Selectmen's Update: John asked the selectmen to give an update. Tina Helm reported that the selectmen had met four times (their regularly scheduled Monday meetings) since the last Budget Committee meeting on Oct. 20<sup>th</sup>, in addition to attending the Planning Board meeting, the CIP meeting, and the Town Citizen's Advisory Committee meeting, as well as attending the Local Government Annual Conference in

Manchester the week before where the Town of New London won first prize for the town report in the category for towns of our size. Other topics that they have tackled at their meetings were concerns that residents have about designation of land, jurisdictional wetlands, uplands, etc. but which seem to be resolved for the moment. They also discussed the town's franchise renewal contract with Comcast which will be continued at this week's follow-up meeting. They ruled for reduced winter maintenance on Route 103A and set the tax rate. They heard a report about Crockett's Corners and Route 11 road improvements. They were following up on a concern voiced by the real estate agents at the Citizens Advisory Committee meeting that they had about the new assessments of homes being advertised for sale. They had a very productive meeting that morning with real estate representatives and Norm Bernaiche and she believed it had cleared up any misunderstanding that anyone had. They set sewer rates (which have gone down), set dispatch rates for 2009 and established an official opening for the roundabout, which is set for Saturday, November 22, at 11:00 a.m. Tina concluded by saying that she would be happy to answer any questions and that all the notes for the selectmen meetings were posted on the website.

Kearsarge Community Center: Jessie Levine stated that on the Community Center, the Board had a meeting right before the Budget Committee meeting and they had to kind of circle the wagons so to speak after word had gotten out through the press last week that the Town was not going to support the full \$1.5 million bond in light of the fact that the fundraising had fallen short of the \$2m goal. Jessie said fundraising was still about \$800,000 strong, which is a good sign; the Board was talking about Plan B, how to change the project to make use of what we do have including the lease with the school district, etc. The Board put on the table whether the town would consider a smaller contribution towards a scaled back project. Jessie said that she had suggested to the Board that a smaller target would be easier fundraising target for private fundraising and then the town could come back in another year to see if there's a part that the town should be considering once it goes to the next step. The Board is still talking back and forth, so Jessie is not bringing anything to the table for the Budget Committee yet.

Noel Weinstein voiced a concern that the Committee hadn't seen any of the mechanics. Jessie replied that she was only reporting to the Committee so they would have an ongoing understanding of where the conversations are. Noel wanted to know what that was saying and Jessie answered that it said there was nothing to ask for yet because nothing was concrete enough to bring forward. Noel stated that to bring it to the Committee in December or January could result in a rush to judgment and Jessie responded that she thinks everyone understands that the later you ask, the more likely the answer will be no.

Celeste asked if there was an economic report yet and Jessie said she had a draft of the study and that it was not what she expected, that it needs to go back to the guy who did it and have him rework it. She thinks it doesn't tell us anything we didn't already know about the economic environment in New London, what the questions are about the project; it's not a concrete statement about what it will do for us. It just raises more questions than it answers.

Ann asked if the Community Center could put on a petitioned warrant article without an approval or disapproval and how late that date was; Jessie replied that February 4 was the petition deadline. Ann asked about language recommending the warrant article and Jessie answered that it would have to have a postscript of some kind. Jessie also said that if the petition asked for a bond, they would have to start earlier than February 4. Jessie also stated that there hadn't been a directive to bring it forward to the Budget Committee yet and that may mean in the end that there wouldn't be enough time for discussion and therefore the Budget Committee might not support it. They know that the later that happens in the process, the more likely that conversation is and that's one of the things taken into consideration.

Noel asked if any of this would be viable if the target date was in March. Jessie said that the budget had to be finalized by whenever the public hearing is and Noel asked about other contingencies like the

relationship with Kearsarge School District. Jessie replied that they have a lease right now that has a construction start date of April 30, and that is another question: can the construction start date be pushed back? Noel asked if right now April 30 was the drop dead date and Jessie replied that it was.

Capital Improvements Plan: John Wilson referred to the CIP meeting on Tuesday, November 11, where several items were discussed in an attempt to cut projected expenditures for next year such as the amount going into paving (gravel) roads for one year. Jessie distributed a revised Table 20 based on the November 11 meeting. John reported that the proposal submitted by Richard Lee requesting the purchase of both the excavator and the backhoe was addressed; it comes through here because of the proposed savings of the total cost and gives us a more extended warranty and the committee pretty much agreed with that. They also discussed the replacement ladder truck, which was moved from 2017 to 2012; John stated that there was a lone voice trying to change that, but it hadn't gathered any momentum. Jessie said that other reductions had been made as well: the committee had reduced the amount going into the Intersection Improvement by \$32,000. After the meeting, Jessie was going over the tables and saw that Ken had the deposit figure going into the Highway Equipment reserve fund at \$205,000 per year, which doesn't need to be that high. She reduced it to \$197,000 per year and that still keeps the town solvent for the ten years going out.

Carol Fraley has already made the change for the next draft of the budget to reduce that by \$15,000, so between that amount (\$15,000), the \$25,000 taken out of the gravel road paving, and the \$32,000 taken out of the Intersection Improvements, there has been quite a bit of tweaking; adding the fact of purchasing the two pieces of highway equipment, it appears as a big expense for next year, but over two years, it saves the town \$25,000. By moving up the fire truck purchase, the town will save \$500,000 over 20 years.

Mark asked how much would be saved just in 2009 and Jessie replied that there wouldn't be any savings in 2009 on the fire department line item. Barry asked how firm is the \$975,000 price for the purchase of the ladder truck? Unless that amount is secured, he was opposed to moving up the fire truck until such time as people had more expendable cash and didn't have to dig so far into their savings. Jessie replied that all of the heavy equipment that's more than six months out is really just a projection. It's more of a philosophical discussion, because if the town purchases something sooner at a lower price or purchases it later with a price that includes inflation, it will offset whatever savings we could have. Mathematically it made more sense to buy it.

Mark Kaplan interjected that with the economy not being very good for the next few months, at the least, the town should push off as many projects as it can for one year and revisit these projects again next year. The savings would be significant and it would mean that the Budget Committee wouldn't have to sit here and say should we cut this or should we cut that and are you sure you can get by with just so many people or why can't you get by with one person less. If the Capital Improvements Program can be cut, it would mean saving hundreds of thousands of dollars and it would make a significant impact on the tax rate for 2009. However, Mark did not want to do any cuts without the department heads working with the Budget Committee to determine what each department could do to make the cuts work.

Jim Wheeler stated that the town might get much better pricing on a piece of equipment a year from now. Jessie replied that the town did need to buy the excavator in 2009, so if the dealer was willing to give the town a reduced price if the town bought both machines (plus an extended warranty and free service contract), she thought that had more value beyond just pushing it off for a year. Barry Wright said that the town might be able to get that same deal next year, but since the town had a need to replace the excavator, he agreed that the town should go ahead and replace both.

Mark said he felt it incumbent upon him to present to the committee that the town should save where it can now and that he would rather save \$400,000 in 2013, and take a savings now in 2009 up front in order to reduce taxes. Jay Lyon said that as a taxpayer, he agreed with Mark that the town should be fiscally responsible and cut costs wherever it could by looking at needs as opposed to wants; however, ironically the night of the CIP meeting, there was a fire that the department had to respond to and the crew had a mechanical issue with the ladder. Fortunately they were able to prime the pump and extinguish the fire, but they do have equipment issues from time to time and he thinks 20 years for equipment life is too long and stringing it out over 25 years or more is not feasible. The National Fire Protection Association recommends every 15 years, but he doesn't think that is reasonable for a town of our size. However, he also doesn't want a huge increase to take place in 2010. Will there be a larger impact after the town doesn't fund? He and the other department heads operate very close to budget and this is the first year that there is not a surplus. Is that going to continue, budgeting so frugally that if there is any sort of change or impact, it would become an unjust burden on the taxpayer? His concern then would be in 2010 the town would be in the same boat of having to push back again, resulting in the savings being gone as well as the wear and tear on the apparatus. The town only has three pieces of apparatus. If it had another station with another engine and ladder, then if one of those pieces went down, it would have a backup piece of apparatus, but the town doesn't have that luxury like other towns.

Barry Wright asked that going forward with the replacement schedule, was Jay figuring on the 20 year replacement in the future? Jay replied that he would strongly recommend replacing the equipment and then looking at the remaining figures for future years. Jay cited 2017 replacement costs as \$2.6 million, with 2012 replacements at \$2.23 million. The \$500,000 savings that Jessie is arriving at is the balance in 2012 which would be \$227,000 compared the \$72,000 in 2027. He referred to the spreadsheet that he had prepared comparing a purchase in 2012 to a purchase in 2017.

Noel Weinstein stated that he thought Mark's question was fair and asked if another set of numbers could be run by pushing everything down, leave the schedule of purchases relatively the same, but move it down by one year, and what would the result be? More maintenance and less money going into Capital Reserve, but what would it mean to age of trucks, maintenance, etc. Maybe it would mean an increase of \$30,000 or net of \$50,000 which would be worthwhile then to lower the amount this year, but then there might be no change or maybe it might be \$200,000, which the town would say no to, but push it down a year and see what happens.

Jay responded that the town should look at the 2012 replacement and if the engine tanker was replaced in 2020 and the rescue engine was replaced in 2027, the town could push back the \$145,000 next year and still replace the ladder truck with plenty of money in the Capital Reserve to replace those other items and at the same time buy the ladder truck in 2013. Noel asked if that meant leaving the rest of the schedule alone for the time being and Jay said yes, that was correct.

Mark Kaplan said that what Jay was showing was that in 2009 the town would put \$145,000 in the CIP and in 2012 the town would purchase a new vehicle for \$975,000. Mark's proposal is to move everything down by one year, so the town would save \$145,000 in 2009, but purchase the vehicle in 2013, so the town would have the same number of years to accumulate it, but it would be happening in 2013 instead of 2012. Jay replied that yes, we could crunch the numbers, but then the issue would be that \$975,000 may be greater.

Jessie asked Mark if he was proposing that the town go to zero and he replied yes, go to zero on as many items as possible. If something happened to the vehicle, then Mark would not expect Jay to not have the proper equipment and he wouldn't be proposing this type of cut. It's only feasible if the department heads are in agreement with it. Jay responded that because of the deficiencies in the truck, the New

England Fire Fighters Association went out and solicited private funds to purchase a pump for the tanker, in the event that when the main piece goes down, the firefighters have something else they can throw water with. Right now they don't have that, and if the ladder goes down, they only have one engine.

Noel stated that it was obvious that the ladder truck was not the issue as it wasn't expected to be replaced until 2017 so whether you bought it in 2012 or 2013 is irrelevant, in terms of the safety issue or the maintenance issue, just a matter of how much more money; but the other items are on a cycle schedule and by pushing everything down that would mean a real impact by 2020, pushing down to 2021; what would be the safety impact of not having an engine/tanker purchased that year? Jay replied that what he was looking to do over the long range was minimize what the town was requesting for vehicle replacement so that after 2013 it actually drops down as opposed to the 2017 schedule which increases to a higher amount and stays at that higher level.

Jessie commented that part of the goal of the CIP in planning is to stabilize the tax rate so that it doesn't jump up in any given year when you do have a big purchase. She would caution against going to zero and then going back to \$145,000 or maybe it's \$155,000 in the following year to pick up where the town left off. It's going to be awfully hard to get back up to that higher figure in two years if the town goes to zero. If the goal is to stabilize the tax rate, which is a great goal, then the town should go to \$120,000 or even keep it at \$90,000, but it would be a huge mistake to drop it to zero and then try to get back up. If the committee looked at the tax rate calculation that was sent as part of the packet, right now the amount that has to be raised by taxes in this budget has gone up by 2%. She stated that she thinks going to zero will set the town back.

Mark replied that while the 2009 budget shows a 2% increase, the fact of the matter is the increase was a great deal more than in 2008, more than 2% and those are the calls he's getting. Jessie stated that she felt that a false sense of security would result by dropping the tax rate by .15 cents next year and having to raise it by .30 cents the year after that to make up for it.

Jay proposed dropping the Fire Department reserve deposit to \$75,000 to split the difference or even \$70,000 in 2009 and replacing the ladder truck in 2013. By delaying it a year, it's not a zero line and by dropping it down we're still being financially responsible, we're still looking out for having a reliable piece of apparatus to respond, but it's not a huge drop.

Jessie replied that the message should be consistent with what the town will be telling people whose roads aren't going to be paved next year. That schedule is being pushed off for a year and the deposits into the Capital Reserve says we're cutting back but that the town shouldn't turn its back on the whole planning and tax rate stabilization because that's what the Capital Improvements Plan is for.

Jim Wheeler questioned whether the town would have any surplus next year and Jessie replied that she didn't know, but she suspected that there would be less than previous years. The reason the tax rate increased last year is because the town did not have the surplus. Noel replied that the reality is the surplus figures from 2005 to 2008 have been going down consistently because either not enough money was being put away in a way that the town could draw down. Jim responded that in order to be consistent, the town needs to put enough money away each year so that the town doesn't have to keep throwing a huge surplus at it each year. Jessie added that either way it was the same tax rate, whether the town cut \$100,000 out of the budget ahead of time or gave it back to the taxpayers afterwards, it's the same tax money.

John Wilson commented that he felt the committee was dancing around and hadn't gotten right to the fact that we all are in a near catastrophic period in our life, unseen since 1929 and it is an acute affliction and

we ought to be treating it as such instead of treating it as a chronic disease. The town should be making sure it can get through this year and next year, but for right now, it has to get through this year and it can talk about maintaining things and so forth, but there are a lot of people who will be lucky if they make it through this year. The town's job is to provide services to the townspeople and part of the service that the town provides is allowing people the means to stay here. The committee needs do as Mark has suggested, to work hard on the CIP, not fund things like the Recreation Department this year, the Conservation Land Acquisition, or the intersection fund, all three of which totaled \$100,000 that could be saved, because these are all things that don't have a project; they're just money the town is putting aside in case the project(s) come up and the town doesn't need that now. As for the rest of the items, perhaps the town should fund a percentage of them or work them out as was done with Jay Lyon. Contrary to what Mark said, John wants to go right to the operating budget and run a very very tight budget. The committee needs to speak openly and deal with the fact that this is a problem that they need to deal with.

Jessie stated that it should be recognized that going into this budget, departments have made cuts, as well as employees, and that one of the handouts that she had for the committee was the healthcare plan, which had a \$40,000 cut that the selectmen adopted and which has already been communicated to employees. She said that she believes everyone is on the same page as far as delivering a tight budget. It's true that some of the Capital Reserve funds don't yet have specific projects and those were some of the first recommendations made for cutting back on. There has already been a \$100,000 savings at the CIP meeting. What is the target that the Budget Committee is working towards? Without that discussion, it seems as though there will never be enough. John replied that that was what he was trying to get to, a discussion of what should be cut and what should be funded. Bringing up funding for the community center really crushed his heart and the fact that it is even being considered is foreign to the way he sees things. Jessie said that to her it meant that people in the town have different priorities, working on different projects.

Noel interjected that the reality is that needs are going up much faster than revenues and that's a problem. Jessie agreed and said that people still expect services. She gave the example that Richard Lee had cut back roadside mowing to twice per summer and the Town had received complaints about it. She said that the reality is that people expect services to continue as usual. She said that the town is all working toward the same goal, but that they should decide where they are trying to go so that they all know what the goal is as compared to just saying it's not enough yet, we'll tell you when we get there.

Connie Appel stated that the committee was working with a very lean budget and that they should use a scalpel, not a chain saw to go at it. She agreed that there will be hard work to be done and that they will have to make some value judgments as to what they should cut or cut less. Doug Baxter agreed and stated that the town should look at things with a different slant, like instead of buying a new car, maybe get the old one repaired. He will have to lay off two people and was very upset about that and sometimes wondered if everybody was in touch with what is really going on.

Mark returned to what Jessie had stated in the original proposal in the CIP and asked if they could set a goal of 50% in cuts in deposits in the Capital Reserve. She stated that right now the deposits into the reserve were about \$725,000, so the reality would be cutting out \$350,000, which amounted to half of the long-term planning. Mark interjected that if they went back to his original suggestion of cutting back to zero, which she had persuaded him was not a good idea, then cutting back 50% was a reasonable compromise. Mark responded that the philosophy was to hold it down by one year (one year being \$700,000), but Jessie said that action would jerk the tax rate up and down when the town should be trying to smooth it out; therefore Mark was proposing the 50% as a remedy.

John responded that \$100,000 could be taken without anybody noticing the difference, in the Intersection improvement, recreation, and the conservation land acquisition; those things didn't have a scheduled plan. Mark asked why not write down the figures and see what they amounted to. Jessie responded that the amount coming into the meeting and in the Table 20 handouts was \$703,000 without sewer. Mark then said that 50% of that amount would be \$350,000 give or take. John reiterated that \$100,000 could be met by taking out the three items mentioned above. Jessie said that there was very little money in town maintenance and if it was taken out now, there wouldn't be any to spend if something went wrong. As an example, she cited how critical the committee had been toward the library for not having money available and for having to do catch up work. Totaling the three came to \$95,000.

John asked Jim to proceed with the next item for discussion which was the breathing apparatus and Jay strongly recommended that this item be kept until it was determined if the grant he had submitted to purchase this equipment would be awarded. He had asked for \$125,000 grant which, should the town be awarded it, would be a cost match grant and the town would need the capital, so it would be good to leave it for this year at least. Jim stated that there was \$11,000 in that line item now and Jay said that the cost match would be between \$15,000 and \$18,000. That item was left intact.

The police cruiser replacement program was the next item to be discussed. Jessie stated that the proposal was to replace the 2006 cruiser and the SUV in FY2009. Mark asked if Dave Seastrand could forego replacing one of the vehicles for one year. Dave said that he could push off the sedan for one year as it didn't have as much maintenance as the SUV, which had a lot of miles and hours on it. Jessie said that in 2010, the town would then need \$60,000 to purchase the one that was pushed off as well as the one that was scheduled for that year, which means that the fund will be starting all over again. Dave responded that they were trying to be as creative as possible by watching how many miles each vehicle was accumulating and switching them around so that not just one vehicle would have more wear and tear on it. It was finally agreed that the sedan would be pushed off until 2010 and the SUV would be replaced in 2009. The deposit to the capital reserve would be cut in half, to \$16,000.

The fire truck was the next item to be discussed. Jim asked if it should be cut to \$72,500 or \$75,000 and it was agreed that \$72,500 would be the amount.

John then asked about the bridge repairs line item, set at \$5,000, and it was decided to leave that alone.

Sidewalk funds were taken down to zero as well as the intersection improvements.

Equipment replacements were dropped to \$190,000 and Mark asked if they could be dropped to less than 50% or \$75,000. Richard said that he could manage to get through the crunch, but would not want to see the town suffer if the equipment broke down at any given time. Jessie stated that there are 23 pieces of equipment of which there were 5 or 6 dump trucks and she did not recommend pushing any back, because they were pushed back already when the new garage was constructed. Richard replied that in 2009, a new truck would last 12 years instead of 10. John stated that the Equipment Replacement line item would stay at \$190,000 and be revisited again next year.

Gravel Roads Paving- Connie stated that item could be delayed and John asked Richard if he could make do for another two years. Richard said that Quail Run and Rowell Hill were the concerns and it was decided that the plan should be slowed down to \$50,000 in 2009.

John went on to the New Highway Equipment line item and Richard stated that the amount of \$11,000 could be dropped. Jessie suggested dropping it to just \$5500 instead because that would be needed to purchase the sidewalk tractor in 2009.

The Transfer Station Improvements line item of \$5,000 could also be dropped, but Richard stated that at sometime in the future, it would need to be reviewed again.

Waste Water/Sewer line item - Jessie stated that there was \$20,000 in that line item and that the sewer rate had gone down. Since funds are raised by sewer users, this item was left alone.

Conservation Land Acquisition - line item dropped. Jessie said that it is likely that the Conservation Commission will want to discuss this change with the Budget Committee, since they were not present tonight.

Library Improvements – Sandra Licks agreed to cutting the deposit in half, from \$100,000 to \$50,000. Jessie read through the list of repairs in the capital improvements plan and advised against ruling out repairs such as “rotting foundation” and she felt that anything rotting needed to be done this year. Sandra replied that they were concentrating on the Main Street side of the library and keeping that façade repaired. Ultimately, the Budget Committee reduced the deposit to \$75,000. She also said that they could forego computer replacements.

Recreation Facilities - Chad Denning stated that the deposit into the fund could be cut this year but he would need funds the following year for the high ropes course. The deposit of \$25,000 was cut from the budget.

Jessie said that there were three smaller items that are not in the CIP but should be discussed cut: 1) the town computer fund of \$1,000, which is available to replace computers on an emergency basis; 2) the library garden fund of \$2,000; and 3) \$4,500 for the energy chapter on the master plan

Ann asked if the library could contribute to that fund and Connie opined that it should be cut in half and that the committee should launch an information campaign to let the citizenry know that they need to have lower expectations because of the financial situation. The Library Garden fund was reduced by half.

John stated that the next Budget Committee meeting would be on December 4 and Jessie would give a presentation on the administrative budget. The committee would review line items with the general idea of looking at the bottom line. The next meeting after December 4 would be January 8.

Noel Weinstein asked about the fuel for the Town Hall and Jessie replied that Carol had negotiated a set price.

The agenda for the next meeting is 1) revenues; 2) administration; 3) beginning of the line item study; 4) possibly having the conservation people do a presentation.

John motioned for adjournment and it was seconded by Doug. The meeting was adjourned at 9:05 p.m.

Respectfully submitted,

Camille Holmes  
Recording Secretary