



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES December 21, 2009

PRESENT:

Larry Ballin, Chair
Mark Kaplan, Selectman
Tina Helm, Selectman
Jessie Levine, Town Administrator

ALSO PRESENT:

Dave Seastrand, Police Chief
Richard Lee, Public Works Director
Michael Doheny, Planning Board
Peter Bianchi, Resident
Carolyn Fraley, Finance Officer
Debbie Cross, Reporter for *The Villager*
Pat Trader, Reporter for *The Intertown Record*

Chair Ballin called the meeting to order at 6:03 PM.

Public Hearing on FEMA Funds: Chair Ballin opened the Selectmen public hearing to accept the State's share of FEMA funds relating to the December 2008 ice storm. Ms. Levine said this was a formality for the Board of Selectmen to accept and expend the funds, which total over \$5,000 and that made it necessary by law to have a noticed public hearing. The total received from the State's share was \$10,463.41 and the Board of Selectmen had approved using those funds to repair the Fire Department's ladder truck.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to accept the FEMA funds given to New London in the amount of \$10,463.41 and to appropriate the funds for the repairs to the ladder truck. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Ballin asked for public comment. There being none, Chair Ballin closed the public hearing.

Meeting Minutes: Chair Ballin asked the Board of Selectmen to share any comments or corrections to the meeting minutes from the CAC meeting that was held on December 5, 2009. It was noted that on page 9, 2nd paragraph, Rich Anderson should be described as a member of the Municipal Budget Committee, not the school budget committee. There were no further comments.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Larry Ballin) to accept the minutes from the December 5, 2009 CAC meeting, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Ballin asked the Board of Selectmen to share any comments or corrections to the meeting minutes from the December 7, 2009 Board of Selectmen's meeting. Ms. Helm noted one small editorial correction, but there were no others.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to approve the minutes from the December 7, 2009 Board of Selectmen's Meeting, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

H1N1 Public Clinics: Ms. Levine said that the Greater Sullivan County Public Health Network has scheduled a number of public H1N1 vaccination clinics over the next month, and she has emailed the schedule to those on the Town's email list. She noted that any resident can go to any of the clinics listed. She will be trying to gather volunteers to work at some of the clinics. Anyone over 4 years old, including "at-risk" individuals were welcome to come.

Gift of a Faucet: Ms. Levine noted that the Thursday evening Bridge Club donated a faucet and installation of said faucet for the Syd Crook Conference Room at the Town Office Building. She was informed that the present faucet would not allow for proper filling of their coffee urns. Ms. Levine confirmed that a licensed plumber would be installing the faucet at the Bridge Club's expense.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to accept the gift of a faucet and installation of said faucet, by the New London Bridge Club. THE MOTION WAS APPROVED UNANIMOUSLY.

Reschedule February 22 Selectmen's Meeting: Ms. Levine noted that she would be away the week of February 22, 2010, and asked if the February Board of Selectmen's meeting could be moved to February 17. It was agreed that the meeting would occur on Wednesday, February 17, 2010 at 6 PM.

Abatement Request: Ms. Levine referred to Shelby Blunt's request to abate interest on a tax bill paid December 7, 2009. Chair Ballin explained that they typically deny these sorts of requests for interest abatement. He asked Ms. Levine if there were any unique aspects of the present request that would give them reason to accept it. Ms. Levine said that outside of Ms. Blunt's written explanation, she did not think that there were unusual circumstances.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to deny the request for interest abatement. THE MOTION WAS APPROVED UNANIMOUSLY.

Single-Stream and Pay as you Throw (PAYT) Programs: Mr. Kaplan said that he had met earlier that day with Richard Lee and Ms. Levine to review the single stream project. He said that it would be simpler to have single stream recycling (throwing all recyclables into one receptacle) than to have people come to the Transfer Station and sort it themselves. When people come in with just two loads (one all recyclables and one all trash), it would speed up the flow of traffic at the Transfer Station. He also found that by doing this, they could save half a person's time at the Transfer Station. One of the three people on staff would not be full-time at the Transfer Station but would be a floating employee for the Public Works Department who would go from place to place as needed. While the Town would lose the opportunity to sell recycled material, it would be in the Town's best interest in the long run as their total trash will surely grow, as well as the recyclable material. He felt it was the best long-term solution to use the single stream recycling program.

Chair Ballin said he started out suspicious of the facts he had heard on the topic. He said if the Selectmen were going to do anything different, they should introduce both programs at the same time. Ms. Levine said that she agreed that both programs should be implemented at the same time. However, she would like to take the single stream vote to Town Meeting this year while working on the educational piece for the PAYT program in the coming year. The following year she would like to go to Town Meeting to formally introduce that program. She said there was no need to get a vote for PAYT this year but they do need a vote on single stream because they have to enter into a contract with the vendor. Ms. Levine repeated that they could implement both programs at the same time but would like more time to talk to the public about the PAYT aspect of it. She thought that going to the PAYT vote this year would be premature because there had not been any education. For single stream, they are required to have it go to Town Meeting because there would need to be a contractual agreement.

Mr. Kaplan said it was important for Ms. Levine to tell the public that it would be a 15-year contract but that there would be a way to get out of it early if need be. Ms. Levine agreed and said there were two

triggers to be removed from the contractual agreement. The first trigger would be if the tipping fee at the recycling facility was within 10% of the tipping fee at the Concord Coop, they can be removed. The second trigger would be if the monthly revenue was negative. In these instances, they can give a six months notice. Ms. Levine said that at Town Meeting, they will be asking the Town for the authority to negotiate contract with the vendor. If, in the end they don't reach agreement on the contract, then they won't go ahead with the program. Chair Ballin said that during the present meeting, the Selectmen should vote on whether to authorize the conceptual agreement to put it on the warrant. He shared that he would also like to hear from the others on the Board of Selectmen on the PAYT program.

Ms. Levine said that the PAYT analysis per bag, which was done by Public Works Director Richard Lee, came out to less than she thought. She shared the following spreadsheet with the Board of Selectmen:

Transfer Station	Budget		
2008 budget	\$ 385,039		
Total Trash in tons	2,594.75		
Total Trash in pounds	5,189,500		
Cost per pound	\$ 0.074	Bag Price	Revenue
33 gallon bag (22 lbs)	1.63	1.75	\$412,801.14
20 gallon bag (15 lbs)	1.11	1.25	\$432,458.33
		Average	\$422,629.73
		Revenue	\$ 37,590.73

The 2008 Transfer Station budget was \$385,039 and the Town disposed of a little over 2,600 tons of trash, which works out to be about 7.5 cents per pound to operate the Transfer Station. If the Town sold a 33-gallon bag, they could sell it at \$1.63 to create enough revenue to match the 2008 budget, of the Town could charge \$1.75 per bag and bring in additional revenue to the Town to offset administrative costs. A smaller bag could be sold for \$1.11 or \$1.25 for additional revenue. If they assume half of the property owners would buy a big bag, it would comprise \$422,000 over the \$385,000 budget. Depending on how the bags were priced, they could generate revenue for the Town.

Ms. Levine cautioned that depending on the rate of garbage disposal for homes, someone could spend more for the disposing of trash than they currently do in the portion of taxes that goes towards the Transfer Station's operating budget. She said that they need to look at that and be transparent on what the costs would be. Ms. Levine shared that they used Mr. Kaplan as a case study and found that he would spend \$130/year to dispose of his trash if he went to the PAYT program, and would save \$220 off his property tax bill. However, Ms. Levine explained that a larger family that may generate more trash and whose house was assessed at a lower value could end up paying more out of pocket with this program. That was what she wanted to analyze further.

Chair Ballin explained that summer or part-time residents would have lower costs than full-time residents, and Ms. Levine agreed but stated that constituency does not vote at Town Meeting. Chair Ballin asked if the Transfer Station budget included trucking the trash to the landfill and Mr. Lee said that the budget included everything except for operating the buildings (mostly electricity and heat).

Mr. Doheny asked if residents would still need a sticker to access the Transfer Station. Ms. Levine said that some towns use the bags to determine who uses the station (i.e., as long as people pay for the bags, the towns are not as concerned with who uses the station because the bags offset the cost of operation). Chair Ballin said he'd rather keep it for New London residents and their guests only. He did not want people coming from neighboring towns to dispose of their trash at their facility. Ms. Levine said it could be a revenue generator for New London to allow residents from other towns to use the Transfer Station, but it would not be cost effective for someone from another town to buy a bag and still pay taxes in their

own town to support their own transfer station. Chair Ballin said that some may feel it was worth it to save a trip to their own transfer station.

Ms. Levine said that another issue that must be addressed was if the bags were for sale at area grocery stores, for example, people from out of town could have access to them and may only find out after purchasing them that they are not able to use them. Ms. Helm said if there are folks who work in Town who wanted to deposit their trash in New London, or if they allowed non-residents to buy the bags, it would add into the profit for the Town. She didn't feel that it would increase the trash intake at the Transfer Station all that much. Mr. Lee said that the bags would cover the cost for the Transfer Station, but if they have to make another trip or two per year because of the extra trash, that would impact profit. He added that it could also cause traffic and policing issues at the Transfer Station. Mr. Lee said that he would rather go with still having the stickers. He didn't want to be in the "trash business." Ms. Helm noted that without the stickers it would be hard to determine how the stump dump would work. It was determined that people would still need a sticker for that.

Mark Wendling asked if the process of making people pay for trash bags would possibly motivate people to throw garbage out the window or to engage in illegal dumping. Chair Ballin said that there may be those fears but he didn't think people would resort to doing that. He did say that people may get more creative on how they dispose of trash, such as finding unattended dumpsters to deposit their trash in. He added that as far as littering is concerned, he doesn't see a lot of excess. Ms. Levine said that the information provided by other towns that have converted to PAYT shows that there has rarely, if ever, been illegal dumping resulting from the conversation. She stated that illegal dumping is still illegal and the fine for getting caught was very high.

Ms. Levine noted that at first, people may try to stuff as much as they could into a bag, but that would taper off as they got used to the process. Ms. Helm said that she has been catching herself recycling more due to the prospect of having to pay as you throw in the future. Ms. Levine said that one thing that sold Mr. Kaplan on the single stream program was that more than just the two grades of plastics they currently offer could be accepted, and so more recycling could be done. Mr. Lee said New London Hospital wanted to recycle saline solution bags but they could not be taken by the Transfer Station because they were #7 plastic and there is no market for that grade of plastic. He said that single stream would allow those types of plastics to be recycled.

Mr. Kaplan said that he would agree to Ms. Levine's proposal of introducing the two programs separately if she figured there was an educational process that was necessary and didn't have time to do it between now and March. The Selectmen agreed that this was a good idea. Chair Ballin said that the two programs go hand-in-hand and if they can blend them together they'd be better off.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to move ahead with putting the single stream recycling program on the Town Meeting warrant, and that this program be implemented in the future with the Pay As You Throw program. THE MOTION WAS APPROVED UNANIMOUSLY.

Ms. Levine clarified that the warrant would give authorization to the Board of Selectmen to negotiate a contract.

Police Department Cruiser Repairs: Ms. Levine said that the 2006 Police Cruiser, which was supposed to be replaced last year, is in need of a new transmission, costing about \$2,000. She was requesting to overspend the 2006 Cruiser Repair line item to pay for the repairs this year to get the car back into service. Ms. Levine said the funds would come from elsewhere in the Police Department budget, as they were currently under spent on part-time and overtime wages as of the end of November. If there is not enough money in that part of the budget, it will come from some other portion of the overall budget. She noted that gasoline was also under spent. Ms. Levine said that currently the Police Department is \$100,000 under spent but that they still have a month of expenses to pay out.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to overspend the 2006 Cruiser Repair Line to get the 2006 Cruiser repaired. THE MOTION WAS APPROVED UNANIMOUSLY.

GACIT Hearings: Chair Ballin noted that they did not attend the GACIT hearing on the Ten Year Plan due to the snow storm last week. He thanked Ms. Levine for preparing written testimony at the last minute to submit on the Selectmen's behalf. He noted that at the last minute New Hampshire International Speedway came in and tried to get into the budget for widening of Route 106 but were denied. Mr. Kaplan said that in the end, there were no changes to the 10-Year DOT list. Chair Ballin said they should stay vigilant with the DOT to keep the Main Street project on track.

Mr. Lee said at the meeting of the Upper Valley-Lake Sunapee Region Transportation Advisory Committee (TAC) meeting a week ago, there were a couple additions to the 10-Year Plan, such as New London's Main Street, but that those projects are not expected to be started for at least 10-12 years.

Ms. Helm asked about the survey crews in town. Mr. Lee said they are taking measurements for drainage, driveway and curb elevations, etc. for the paving of Main Street next summer. Ms. Levine said that perhaps they are doing a more thorough job to have more information in advance of the Main Street project in the future.

Sunapee Sewer Commission Meeting: Chair Ballin said that the meeting of the Sunapee Sewer Commission and New London Selectmen was held on December 10 and that they had reported on it at the CAC meeting. Mr. Kaplan said that they have agreed with the Town of Sunapee to an arrangement where both Towns will put articles on a warrant to go for funding for the Sunapee Wastewater Treatment Plant, with hopes of receiving a Rural Development Association grant of 35%. The total cost of the project is roughly \$8.5 million dollars, of which \$500,000 has already been agreed on to spend for engineering. New money needed will be about \$8 million dollars. Mr. Kaplan said that they all realize this is something that needs to be voted on, so education needs to be done. Both towns need to vote in the affirmative to move forward with the project.

Ms. Levine added that if they receive 35% from the federal government, New London would be responsible for \$3.38 million dollars. If they receive a 3.7% loan from RDA on a 30 year term, it would be about \$183,000 per year. She said that she has started some calculations of the tax impact for sewer users vs. tax payers. If 100% of the cost were borne by sewer users, it would amount to about \$400 more per year per household, which is a significant increase to the sewer rates. If the cost were borne by all taxpayers, it would be about \$45 more per year per household. She said that the answer should fall somewhere in between those two figures. She said that it would be hard to get taxpayers to support paying for the entire cost but thought it would be too much to put entirely on the sewer users. In January she would have more information to help the Selectmen make a decision.

Ms. Levine said that on February 17 they would have a bond hearing for the project. The public hearing for the budget would be on February 8, which has already been scheduled. She added that the bond hearing could be convened by the Selectmen.

Budget Committee: Mr. Kaplan reported that the Budget Committee meeting of December 14 was lengthy with no decisions made. They voted to send the entire budget back to the Department Heads to cut out \$240,000 from the budget.

Ms. Helm said that she wanted to share some thoughts about the last Budget Committee meeting. She shared that, along with many others, she went home extremely frustrated. She felt they had taken the time of the townspeople and Department Heads for months with no progress. She said there was only a small voice of the town being represented and that a large spectrum of the Town was not being heard. Ms. Helm said that she was concerned that the Selectmen, as the governing body of the Town, were not showing any backbone or leadership. She said that the Board of Selectmen was particularly in favor and in support of the Town employees and she felt the Town was extremely lucky to have them. She said that all the work

that had been done by Ms. Levine, the Town's Department Heads, and the Budget Committee subcommittees was essentially disrespected by the Budget Committee and the message was that all they had done was worthless. She felt it was incumbent on the three Selectmen to step up and show some leadership, perhaps by making a presentation to the Budget Committee. Ms. Helm felt they owed it to the townspeople who were not at the meeting and who were not speaking up to give a different perspective. She suggested that they, as a board, discuss and come to a consensus. She reminded them that they had voted to support Ms. Levine's suggestion of a 1.5% merit increase for employees to compensate for the increase in medical health coverage that they would have to pick up, and that this was totally shot down at the Budget Meeting. She said that they, as the governing board of the Town, need to be very articulate about why they approved it, the reasons for it, and why they feel that something more than a 2% increase in the budget is necessary and something that they support. She said that likewise, if they do not support it they need to be articulate so their employees know where they stand. She said that she was embarrassed about how the Selectmen had come across at the meeting.

Ms. Helm went on to indicate that she purposely did not speak up at the meeting because Mr. Kaplan was the Selectmen's representative to the Budget Committee and that Mr. Ballin was the chair of the Board of Selectmen. However, she felt that there was a benefit to having the Board of Selectmen let employees and townspeople know where they stand on the issues.

Mr. Kaplan said he agreed and thought they should stand behind their employees and the Town Administrator. His reason for saying this was because he felt New London was a special town that cannot be such unless the price is paid. He added that if the price was not paid, the Town would suffer either because they wouldn't have the funds to keep up the infrastructure or because the employees would be demoralized. Both ideas bothered him. Mr. Kaplan said that they went to the Town Administrator and Department Heads a year ago and they cut the budget enough to cut the tax rate significantly. He said that this cannot be done item for item again without deteriorating the infrastructure of the Town. When the Town comes back and says that they need to go back up on the tax rate, they have to understand that this is inevitable. He said that as Ms. Levine pointed out, the proposed budget is only a 1% increase over what it was two years ago, which was modest in his opinion. He agreed that they need to take a strong stand and advise the Budget Committee and others about how they feel about this.

Mr. Bianchi asked to clarify that the Budget Committee's recommendation was to limit the tax rate increase to 2%. Ms. Levine agreed and said that the motion actually called for a reduction of \$240,000, which amounted to a 2% increase of the tax rate.

Chair Ballin said that it was the Budget Committee's budget and added that the Selectmen can hold fast to things they think are sacred. He felt they should pay employees a modest increase to compensate for healthcare increases, but that they are not looking to layoff any staff or make reductions in pay. He said he did not feel that the staff felt they were being demoralized. Ms. Levine and Ms. Helm disagreed.

Ms. Levine handed out a spreadsheet showing the proposed budget cuts that had been recommended by the Department Heads and her. Ms. Levine explained that this combination of changes to expenses and revenue resulted in a 1.5% budget (tax rate) increase over 2009. She noted that the CPI released last week for November 2008 to November 2009 was a 2% increase. She indicated that the 1.5% raise she was proposing was less than a cost of living increase for the last year. She opined that the Budget Committee should take that into consideration while considering the Selectmen's last proposal. She felt the Budget Committee would, as was customary, wait to see what the CPI was as of January to make their final decision.

Ms. Levine explained that the first page of her handout showed the tax rate coming out of the November meeting and the tax rate after the proposal that included the personnel costs. Ms. Levine said that the proposed appropriations were \$7.4 million. She then went on to show the changes recommended by the Department Heads and her:

		Original	New		New	Tax
Proposed changes by Department Heads 12-15-09		Request	Request	Difference	Balance	Rate Impact
01-4130-100-210-00	EXEC-Health/Dental Insurance	\$63,736	\$62,605	(1,131)	\$7,436,278	(0.00)
01-4130-100-550-00	Exec-Printing	\$12,000	\$8,000	(4,000)	\$7,432,278	(0.00)
01-4191-300-312-00	PB-Planner	\$15,000	\$20,600	5,600	\$7,437,878	0.01
01-4299-580-210-00	Dispatch-Health & Dental Insurance	\$58,982	\$58,399	(583)	\$7,437,295	(0.00)
01-4312-600-385-00	Highways & Streets-Sidewalk Maintenance	\$8,000	\$1,000	(7,000)	\$7,430,295	(0.01)
01-4324-650-416-00	Transfer St - Disposal of Recyclables	\$9,000	\$5,000	(4,000)	\$7,426,295	(0.00)
01-4324-650-417-00	Transfer St - Trash Hauling	\$68,705	\$60,000	(8,705)	\$7,417,590	(0.01)
01-4324-650-418-00	Transfer St - Tipping	\$135,000	\$125,000	(10,000)	\$7,407,590	(0.01)
01-4325-650-419-00	Special Waste Drives	\$9,000	\$-	(9,000)	\$7,398,590	(0.01)
01-4909-100-737-00	CO - Milfoil Monitoring	\$18,500	\$-	(18,500)	\$7,380,090	(0.02)
01-4909-100-937-00	CO - Gravel Road Upgrades	\$91,508	\$-	(91,508)	\$7,288,582	(0.09)
01-4915-100-903-00	TCR-Sidewalk Project	\$20,000	\$1,000	(19,000)	\$7,269,582	(0.02)
01-4915-100-904-00	TCR-Bridge Maintenance	\$5,000	\$-	(5,000)	\$7,264,582	(0.00)
01-4915-100-906-00	TCR-Fire Vehicles	\$120,000	\$117,000	(3,000)	\$7,261,582	(0.00)
01-4915-100-908-00	TCR-Highway Equip Replacement	\$160,000	\$140,000	(20,000)	\$7,241,582	(0.02)
01-4915-100-909-00	TCR-New Highway Equipment	\$6,000	\$2,000	(4,000)	\$7,237,582	(0.00)
01-4915-100-911-00	TCR-Town Building Maintenance	\$30,000	\$20,000	(10,000)	\$7,227,582	(0.01)
01-4915-100-917-00	TCR-Fire Breathing Equipment	\$10,000	\$1,000	(9,000)	\$7,218,582	(0.01)
01-4915-100-918-00	TCR-Tracy Library Improvements	\$80,000	\$60,000	(20,000)	\$7,198,582	(0.02)
01-4915-100-919-00	TCR-Transfer Station Improvements	\$5,000	\$-	(5,000)	\$7,193,582	(0.00)
01-4915-100-923-00	TCR-Conservation Land Purchase	\$25,000	\$-	(25,000)	\$7,168,582	(0.02)
01-4915-100-926-00	TCR-Intersection Improvements	\$20,000	\$1,000	(19,000)	\$7,149,582	(0.02)
01-4915-100-926-00	TCR-Recreation Facilities	\$15,000	\$-	(15,000)	\$7,134,582	(0.01)
01-4915-100-932-00	TCR-Police Vehicle Fund	\$25,000	\$20,000	(5,000)	\$7,129,582	(0.00)
01-4915-100-937-00	TCR-Gravel Road Upgrades & Paving	\$50,000	\$5,000	(45,000)	\$7,084,582	(0.04)
					<u>\$(351,696)</u>	<u>(0.33)</u>
Revenue as of 12/14/09					<u>\$2,812,034</u>	
		Original	New			
		Request	Request	Difference		
01-3915-652-000-00	REV-Milfoil	18,500.00	0.00	(18,500)	\$2,793,534	(0.02)
01-3915-937-000-00	REV-Gravel Roads	91,508.00	0.00	(91,508)	\$2,702,026	(0.09)
	Close milfoil fund	25,821.00	0.00	25,821	\$2,727,847	0.02
	Close computer software fund	-4,261.00	0.00	4,261	\$2,732,108	0.00
					<u>\$(79,926)</u>	<u>(0.07)</u>

Ms. Levine noted that a couple of the changes were the result of employees choosing the less expensive healthcare plans. The Printing line was also lowered by printing fewer copies of the Town Report and printing them as a smaller size (8 x 10 instead of 8.5 x 11). At the Planning Board's request, she put back into the budget the Town Planner request, which the Selectmen had supported at \$20,000. Richard Lee agreed to give back the sidewalk funds for repairs on Main Street in front of Colby-Sawyer College. She indicated that trash disposal should come down in the next year, and she removed the hazardous waste collection for the second year in a row. She said that people can still dispose of these materials at their own cost in Newbury when they have their own Hazmat drive. She noted that she had received some negative feedback last year for not having a hazmat drive in New London, but this is a "want," not a "need."

Ms. Levine said that under capital reserve funds, the biggest savings was found by eliminating the milfoil program. While she knew this was controversial, she recommended closing the fund and taking in the balance of \$25,800 as revenue. They would also postpone the gravel road paving projects, which would remove a \$50,000 deposit into that fund, and either not fund the sidewalk and intersection funds or reduce funding, and reduce deposits into the vehicle and equipment funds. She noted that they could still stay on track with vehicle replacement even with those slight reductions. She indicated a reduction of \$351,000 from the expenditure side. Including revenue changes the net would yield a 1.5% increase in the tax rate from last year.

Chair Ballin said that in theory, there was a fair amount of adjusting that could be made to put some things back in the budget. Ms. Levine agreed and said that there was \$25,000 that could go back in to still get to a 2% increase. She said that one item that was not in the budget was funding the sidewalk and intersection funds, which would make it so they could not match the Elkins grant. She said they shouldn't pursue that grant any further if those funds were not there. Ms. Levine noted that they would need \$38,000 to pay their share of the grant.

Mr. Kaplan said that when he read the list of what she was proposing to cut, and reviewed how much was cut a year ago, and the fact that they are possibly not going to be able to do the Elkins grant due to insufficient funds, these are the types of choices he was referring to earlier. He said again that they cannot keep cutting things out of the budget without deteriorating the infrastructure of the Town. They can't drop all of these things continually, year after year. He said that they showed good faith and did the best they could a year ago, and it was incumbent on the Selectmen to say "enough is enough." He appreciated the good faith the Department Heads have had in the Board of Selectmen, but they can't keep pushing all these projects back again for another year. He used Main Street as an example of something that needs to be repaired but it isn't done. They keep waiting and waiting and its condition gets worse and worse, and when they finally do the project, it ends up costing a lot more.

Ms. Helm gave another example of how the cuts have hurt the Town. She said that the amount of money they will have to bond for the sewer project is going to be high due to the fact that no money was ever set aside for the project. She noted that Sunapee has been putting money away for this for years and won't have to bond nearly as much as New London will. She said that if more and more cuts are made, it can come back to haunt them in the future.

Chair Ballin said again that at the end of the day, it is the Budget Committee's budget. Ms. Levine agreed with him but added that typically, the Board of Selectmen proposes their budget to the Budget Committee first. She said that typically, the Department Heads would present their budgets to the Board of Selectmen, who would submit the budget to the Budget Committee in December or January, and the Budget Committee would do its review and hold the public hearing in February, and then it would go to Town Meeting. She said that very few towns drag the process out this long and have the Budget Committee work on it all the way through. In this case, the budget went from the Department Heads to both the Board of Selectmen and the Budget Committee at the same time while it is still being developed. Ms. Levine said that the budget has gone back and forth, with no direction from the Budget Committee, which has drawn the process out. Ms. Levine said that she and the Department Heads thought the operating budget had been approved at a meeting in November, when the Budget Committee reviewed every line item and removed or kept in the line items that they wanted, and then at the subsequent meeting they asked the Department Heads to open it up again and remove items from the budget. She said that if the Board of Selectmen feels strongly about what has been proposed, they should present this at the next Budget Committee Meeting.

Chair Ballin said that he heard from a number of people that the 8% increase that was being proposed was of particular interest. He knows that the current budget requests represent only a 1% increase over two years ago, and when it is pointed out that they saved 5% in the last year, they don't really feel that is important. They are just concerned with this year over the last year. He felt the matching funds for the Elkins grant were critical to keep in the budget. He also felt it important to protect the modest wage increase for the employees this year. If they have to find a middle ground, so be it. At the end of the day, it is up to the voters at Town Meeting. Mr. Kaplan said that it has never happened before that the Budget Committee and the Board of Selectmen have not agreed. He said that they are proposing a line in the sand, which causes a distance between them. Ms. Levine said that if the Board of Selectmen disagrees with the budget that the Budget Committee comes up with, they have the ability to make a motion to amend it at Town Meeting.

Ms. Helm asked if it was possible to list somewhere near the proposed budget that the Board of Selectmen do not approve of the Budget Committee's proposed budget. Ms. Levine said that the Board of Selectmen can state that they do not recommend particular warrant articles, and since they present the articles at Town Meeting they could have a chance to explain why they do not agree with the budget.

Mr. Kaplan opined that the Budget Committee blindly said to go back and cut the budget further. He said it was not his way of doing business. Ms. Helm said she would like to advocate taking some steps backwards. None of them likes to work this way, but here it boils down to more education to the Budget Committee of why they have proposed certain things and would not like to see them eliminated. Ms. Helm said she was apologetic that she would not be there for the meeting on January 11, but thought that early on in the meeting someone from the Selectboard should ask to speak. Mr. Kaplan said he would be glad to do that. With Ms. Levine's help they could draft some salient points that they felt strongly about. Mr. Kaplan emphasized that they would need to come to a consensus to do this. It was not his opinion that mattered, but the three of them together that counted. If the three of them could come to an agreement, he would have no problem enunciating it.

Ms. Helm felt that if they could come back with a compromise, perhaps it would work. When the proposal comes back to the Budget Committee higher than a 2% increase, they will need to advocate for it either in the speech they plan to make, or individually as the items come up. Ms. Levine said that the cuts she had to make represent an elimination of programs that have continually been approved by the taxpayers. Ms. Helm asked if an amendment could be presented by individuals, and Ms. Levine said this could be done as long as the line item has not been zeroed out of the budget. Ms. Helm asked to make sure that at least \$1 should be left in each budget line for this purpose. She felt that if this were to happen, the people in Town could be advocates for the things they are willing to pay for.

Mr. Wendling asked what had been spent per year in the milfoil and computer software programs. Ms. Levine said that the Town has been spending down the milfoil fund for the past few years, and would gain \$26,000 in revenue by reclaiming it and not spending it down any further. She said that when the program was started, the Town deposited \$28,000 per year, of which \$8000 was supposed to be saved for future emergency milfoil treatment and \$20,000 was to be allocated to the various lake associations in the form of a grant. The Budget Committee stopped funding the milfoil grant two years ago and has been spending it down. Closing the fund now would spend it down a year sooner than they had planned. She added that the software fund was created because the Town had a series of major software upgrades, but she did not see any significant need in this regard going forward. She said that she reviewed all of the capital reserve funds to see what else could be closed out, and all others have a valid and necessary purpose. Mr. Wendling said he liked Ms. Helm's idea to leave \$1 in the line items that were possibly going to be discontinued to let the taxpayers have their say.

Mr. Kaplan agreed with Mr. Ballin that keeping the sidewalk fund and Elkins grant match would make the Town much better and would help increase the walkability of the Town. He remarked that it was up to them as a board to get this project completed and to use money from the State in the sum of \$800,000 and only cost the Town \$160,000.

Mr. Bianchi said that he respectfully disagreed with the Board of Selectmen. He said that he respected Ms. Helm's opinion but that he must be hearing from people other than who the Board of Selectmen is hearing from. He said he is getting feedback from a broader group of taxpayers, which makes for a difference of opinion. Mr. Bianchi thought that there was a sense on the street that they are still not out of the economic bad times. He said that he had nothing against the Town workers, and explained that his own personal income was down as were the incomes of other business people and trades people. He said that he was seeing a different segment of the Town than what the Board of Selectmen was seeing. He understands that the Selectmen probably had some frustration with his comments. Mr. Kaplan said that Mr. Bianchi was not wrong in his remarks regarding business being down and times being hard, and explained that when they talk about the trades people not having work to do, his belief was that keeping

some of the larger projects in town would help provide jobs to these tradesmen. Mr. Kaplan said that there would be work needed to be done in town, and the Town would hire people to do it, such as painters and laborers to help with these projects. Mr. Kaplan opined that Mr. Bianchi was not allowing himself to think broadly. Mr. Kaplan felt that they needed to do these projects to help keep people working, and said that when you keep the money going around and around, it helps the people. Mr. Bianchi said he didn't think the economic picture in New London, Sunapee, or Concord was any better than it was a year ago. He said that he has looked at the list of cuts, and only \$100,000 was taken out of the operating budget and \$200,000 is what they are keeping from going into their savings accounts. He said many people are concerned with the expense of the operating budget of the Town, and the proposed changes do not affect the operating budget. He noted that employees' benefits and wages would be an issue.

Chair Ballin acknowledged Mr. Bianchi's remarks and said that the Budget Committee started this process in May and that has never been any identifiable fat in the budget. Everyone in the subcommittees identified that there isn't any department who has a lot of extra funds to save. The only places available to make substantial savings are in the funds they are putting away for equipment and other things down the road. Unless they get into laying people off or going into drastic reductions of benefits, it is very hard to find money in the operating budget to cut out. Mr. Bianchi said that Chair Ballin's remarks were correct. He said that drastic changes don't have to be huge, but perhaps they could do something like what Proctor Academy does, which is pay in full for employee health benefits but not offer a family plan. He said he does not want to have to do these things, but sometimes they have to be done. Mr. Bianchi opined that there were other areas in the budget that could be scrutinized. He felt that it is hard in a small town to suggest that salaries and benefits be cut but he wanted to convey that the public feels differently than the Board of Selectmen.

Mr. Doheny asked to comment on salary cuts and increases. He felt that the proposed 1.5% increase was modest. From the private sector, he gave an example of the company he is employed by, which has 1,600 employees in 22 countries. There has been a corporate-wide instituted 8-15% pay cut across the board. This means some people are getting a \$10,000-\$30,000 cut per year in their salaries. Mr. Doheny said that a cut of this size is demoralizing. He said that in the Town's case, the raise was not going into the pocket of the employees but would be used to offset the healthcare costs they have to pick up. Mr. Doheny said that in his experience, if an hourly employee's pay is cut 5%, they'll find it somewhere else. He said that one of his favorite things to look at is the capital reserve funds, and he liked how Ms. Levine had cut the capital reserve funds a little in several areas. He also noted that if the line items for some things (like milfoil) rose to \$1, it would take a long time at Town Meeting, as many people would want to give their opinions about the importance (or lack thereof) of the fund. Instead, he suggested creating an alternative budget. Ms. Levine said that the Town Meeting process does not allow for an alternative budget other than making motions on the floor of Town Meeting. Mr. Doheny asked if someone could provide another budget as an amended budget to the one proposed by the Budget Committee. Ms. Levine said this could be done at Town Meeting. Mr. Wendling asked if it could be advertised to the fact that there would be two separate budgets presented. She said that they could advertise the fact, but could not promote one over another. Mr. Wendling commended Ms. Levine on the work she has put into this budget.

Chair Ballin agreed with Michael Doheny on the protection of the milfoil, Elkins and sidewalk projects and felt the budget had been pared down as much as it could be. He felt they should keep in a line item for employees' raises, let the Budget Committee know what the CPI is, and tell them that this is the decision from the Board of Selectmen and that they are digging their heels in the sand. Mr. Ballin asked that Ms. Levine return the milfoil and Elkins projects to the proposed budget, and that if this results in a 4% or 4.5% increase, he would like to see if it would be palatable with the Budget Committee. He felt the 8% was substantial, but felt a compromise might work. He agreed that they are still in rough economic times with no big changes in the near future. If the compromised budget doesn't pass, they can come up with

an alternative budget to bring to the people at Town Meeting. He opined that it could be a dicey year to be in an adversarial position.

Ms. Helm asked if it would be prudent to ask Ms. Levine to write a script for them to use at the Budget Committee meeting. She asked if they could agree to put the milfoil fund back in, or at least to not close it completely. Mr. Kaplan said if the don't close the fund and don't close the expenditure, they haven't affected the bottom line at all. He said that it doesn't affect the 2% increase by leaving it in or taking it out. Chair Ballin said they should leave it in at \$18,500.

Chair Ballin said it would be interesting to see if the things they were interested in keeping would make the budget a palatable increase. He felt the milfoil fund was important. He felt the sidewalk and intersection funding to enable them to get the grant for the Elkins project were very important.

Ms. Levine said that adding those items back into the budget would come in at about 4%. Ms. Levine noted that many of these funds, the Milfoil Fund for example, will need replenishing in the future. In 2011 if the lake associations want to see the same level of funding, the Town will have to put \$12,000 into that fund and would have to do that across most of the funds they are cutting now to stay even. At some point the Board of Selectmen and the Budget Committee will have to be willing to accept that 8% increase as they can't make up a 4% cut when other things are being added. Chair Ballin said that the chair of the Budget Committee has been steadfast that they are in the second year of a two-year downturn. Going into the third year they will have to pay some penalty for the past two years. In retrospect they may have done themselves a huge disservice by cutting the tax rate down by so much last year. Ms. Levine agreed. She added that at some point they will have to be realistic about where they are going with these programs.

Ms. Helm thought they were on top of things with the subcommittees, but hopes that earlier on in the process they can be more proactive in the budget process. She added that she supported the 1.5% merit increase for employees.

Wilmot Selectmen Meeting: Ms. Levine attended the Wilmot Board of Selectmen meeting last week and said she was surprised by their lack of interest in extending the sidewalk from the Elkins town line to the Park n' Go market unless New London could secure the grant for them. She said she could see if the grant could be extended. Unless the grant is there, Wilmot is not supportive of doing the work. Chair Ballin said he would not put too much investment in getting them to do the sidewalk and he did not want New London to start building sidewalks in Wilmot. He felt it was nice to try to get them to collaborate but if they are not interested we should let it go.

Facilities Committee and School Board Meeting: Ms. Helm and Ms. Levine attended the Facilities Committee meeting on December 17, along with members of the Skatepark Committee, as they wanted to use a portion of the school property for the park. Ms. Levine felt the reception of the idea was okay. She said she would follow up with a letter from the Skatepark Committee. Ms. Levine noted that she stayed for the School Board meeting afterwards and saw Russ Aney's (New London Energy Committee) proposal for an energy project. She indicated that the School Board had voted to engage Mr. Aney in completing the grant application. He will be back to them to figure out which towns will be the sponsoring towns for the project. Ms. Helm said she got a positive feeling about the Skateboard Park. The main issue was that the Facilities Committee was working on its master plan for the property and did not have a definite plan for what they wanted yet.

Upcoming Meetings

School Deliberative Session – January 9, 2010

Budget Committee Meeting – January 11, 2010

Joint Select Board Meeting, Warner – January 21, 2010: Richard Lee asked if he was to go to the joint meeting in Warner. Ms. Levine said she had talked to their Town Administrator but it was not clear yet whether the road agents should be present. She will confirm.

Other business: There was none.

Application for Building Permits:

- John & Donna Ferries, 147 South Cove Road (Map & Lot 045-028-000) construct new garage – Permit #09-136 – Approved.

Application for use of Whipple Hall:

- US Census Bureau – Training – Feb. 15-19, 2010, Feb. 23-26, 2010, and March 1-5, 2010, from 8:00 AM – 4:00 PM --Approved.

Application for use of Town Common & Bandstand:

- Northeast Ski Joring Association – Jan. 29, 2010 – Feb. 1, 2010 - Approved

Application for Sign Permit:

- Woodcrest Village – 356 Main St (Map & Lot 084-008-000) Craft Fair Sunday 11-2 –Approved (after the fact)

Other:

- Disbursement voucher weeks of December 14 & 21, 2009 - Approved.
- Warrant for Yield Tax Levy of \$510.39 – due 1/22/10 – Approved.
- Plodzick & Sanderson, Management Risk Assessment Questionnaire for 2009 Audit – Approved

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to adjourn the Board of Selectmen's Meeting of December 21, 2009. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting ADJOURNED at 7:50 PM.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London