

Town of New London
Budget Committee
Meeting Minutes-January 16, 2008

Budget Committee Members Present: John Wilson (Chairman), Connie Appel, Doug Baxter, Pat Blanchard, Jack Diemar, Carol Fraley (Finance Officer), Mark Kaplan (Selectman *ex officio*), Jessie Levine (Town Administrator), Bob Meck, Noel Weinstein, Jim Wheeler, Barry Wright.

Representing Town Departments and other agencies: Nancy Friese, Marilyn Andrews, Hardy Hasenfuss and Hugh Chapin (COA), Les Norman and Terry Dancy (Conservation Commission), Chet Reynolds and Frank Anzalone (Energy Committee), Brian Prescott (Selectman), David Seastrand (Police Department), Jay Lyons (Fire Department), Richard Lee (Highway Department), Sandra Licks (Tracy Library), Chad Denning (Recreation Department).

Also Present: Residents Charlene Baxter, Peter Bianchi

John Wilson opened this meeting at 7 p.m., and the Budget Committee addressed 13 areas of business during this meeting.

1. Minutes

Doug Baxter moved to accept the December 12, 2007 minutes. Pat Blanchard seconded. John Wilson made the following amendments:

- On page 5, paragraph three, third sentence was amended to read: "Mr. Wheeler said that Shakes-to-Shingles employs infrared technology."
- On page five, paragraph one, fifth line, "cable" was inserted before "franchise."
- On page one, second to last paragraph "at" was inserted between "continued" and "that" in the first line of that paragraph.
- In that same paragraph "Firewards" was changed to read "Fire Department."

The motion to approve the minutes as amended passed unanimously.

Barry Wright moved to accept the minutes of January 2, 2008. Doug Baxter seconded. John Wilson made the following amendments:

- On page six, paragraph four "lapsing fund": should read "non-lapsing fund."
- The second to last paragraph on page seven was amended to more accurately describe the current and proposed situation at Pleasant Lake Dam. (Also, later in the meeting, Carol Fraley confirmed that the total cost for the repair will be \$60,000, \$52,000 to be borne by the Town, and \$8,000 to be PLPA's contribution.)

The minutes were unanimously approved with those amendments

John Wilson asked about fire hydrant costs referred to on page three, third to last paragraph, pointing out that the Town owns the hydrants and, for example, the two dental offices in Town each pay \$775 for water each year. Why is the Town being charged \$225 per hydrant by the Water Precinct? Carol Fraley explained that the Water Precinct does all the maintenance on those, including flushing and clearing them of snow.

2. Council on Aging

Prior to the opening of this meeting, Budget Committee members received copies of the January 15 letter from Nancy Friese, Director of the Kearsarge Area Council on Aging. That letter was in response to the

Budget Committee's earlier decision to reduce New London's contribution to COA to \$10,850. At this meeting, Nancy Friese referred to her letter and made the following points:

Contrary to the Budget Committee's assumption, COA did make effort in 2007 to raise outside funding. This included the inauguration of a business sponsorship program, through which COA contacted 50 area businesses, 26 of which have become sponsors. That effort has resulted in an additional \$10,000 income for COA.

Also contrary to the Budget Committee's understanding as expressed in Jessie Levine's letter to COA dated January 7 of this year, COA never intended the 2007 increase from \$9600 to \$20,000 to be for one year only. At this meeting, she referred to the Budget Committee's minutes of November 29, 2006 in which it was made clear that the requested increased contribution would take care of the situation for some time. COA does not intend to increase its requested contribution, but the intention was not to reduce it back from \$20,000 after 2007. Noel Weinstein pointed out that this Budget Committee cannot commit future budget committees, and members agreed. Jessie Levine reminded everyone that this still goes to a Town vote.

In response to earlier questions from the Budget Committee, Nancy Friese said that of the 22 senior centers that are members of the New Hampshire Association of Senior Centers, 13 are supported directly by the Town either because they are regular Town departments or because they receive significant Town contributions. Noel Weinstein asked about the other nine. Nancy Friese said those are CAP funded. They receive a lot of State money, and some federal. Noel Weinstein asked to clarify that they are not Town departments. Nancy Friese agreed, saying that they do get some Town money, but are not departments, per se.

Regarding the Budget Committee's question about membership fees, she pointed out that most senior centers do not charge membership fees. She referred to the failure of one senior center that thought it could raise its operating budget through membership fees. Noel Weinstein said that is just one example. He asked if some do charge membership fees, and are successful. He asked why not try that here. Nancy Friese said COA's philosophy is that it does receive \$60,000 a year in donations. The Board feels that some COA members cannot afford fees, and those that can do that and more. Charging fees may jeopardize voluntary donations. She referred to COA's fifteen years of successful service on a budget of \$100,000 per year.

She provided other statistics:

- COA has 2500 members in the nine towns in serves; 1100 in New London.
- In 2006, COA volunteers drove 60,000 miles. That included 544 rides or 14,000 miles, for New London residents. That was an increase of 57 riders or 2000 miles over 2005.
- In 2005, there were 845 instances of participation by New London residents in COA's health related programs. In 2006, that number rose to 2,369.
- The number of New London participants in all of COA's programs was 4000 in 2004, 4,072 in 2005 and 6,360 in 2006. John Wilson asked if those were numbers of individuals, or numbers of participations -- in other words, one person could come many times. Nancy Friese confirmed that.

Noel Weinstein asked if the other eight Towns are making contributions proportional to use or population. Nancy Friese said the requested contributions are based on population. COA received \$38,000 in contributions from the towns. \$20,000 of that is from New London. New London comprises 55% of COA's usage.

She distributed the most recent COA newsletter which describes the new business sponsorship program, and she added that COA plans to continue to make effort to enlarge this program.

Jack Diemar asked what the projected income for 2008 is. Nancy Friese said they project \$99,000 in 2008 revenues. That includes the \$20,000 from New London and the \$10,000 in business sponsorships. Jessie Levine pointed out that is short of their projected budget by \$17,200. Nancy Friese agreed and said they plan to do some fund raisers in spring and summer. Jack Diemar asked if they cannot make up the shortfall that way, or if the shortfall is larger than projected, would they have to dip into the reserve. Nancy Friese said they hope to cover the shortfall that is projected or a larger one though fundraising efforts, but if they cannot, then yes, they would have to get the balance out of reserve.

John Wilson asked how anticipated contributions are doing. Nancy Friese said they are close to being on track.

Barry Wright recognized the many things that COA does for the Town, and the fact that he sees a lot of support in Town for COA. He said New London should not try to do without COA. He also sees COA's logic in their response to the suggestion of charging fees. As things are now, those that can contribute do make generous donations. In light of those considerations, he moved that the Budget Committee recommend New London contribute \$20,000 to COA in 2008. Doug Baxter seconded the motion.

Bob Meck expressed concern that the Budget Committee spent nearly four hours on January 2 reducing the proposed 2008 allocation, and saving the Town \$109,000, the concern being for the potential increase the requests would have on the overall tax rate, and he hoped the Committee would not put all that back in tonight.

John Wilson expressed concern that the total donations seem to be flat.

Barry Wright said that last year, the Budget Committee did make clear its concern that it not be in a position of deciding how people spend their charitable dollars. On the other hand, voters have a chance to pass or reject this request at Town meeting. He stood behind his motion to recommend \$20,000.

The question was called and the vote was tied with Barry Wright, Jim Wheeler, Doug Baxter, Connie Appel voting in favor of the recommendation of \$20,000, and Noel Weinstein, John Wilson, Bob Meck and Jack Diemar voting against. Pat Blanchard abstained. After some quick research into the law, Jessie Levine said that the Selectman *ex officio* may vote. Mark Kaplan said his feeling is that organizations as COA provide much needed services to the Town, and without them, the Town would have to provide the services at much greater cost. He voted yes. The motion to recommend an allocation of \$20,000 for COA passed in the vote of five to four.

3. Energy Committee

Frank Anzalone said the Energy Committee looked at all the Town buildings and noted the three that seemed to consume a great deal of fuel for their respective sizes. The Energy Committee's original proposal was for a total of \$7000 to conduct energy assessments for those three, \$1870 of which would be for the library.

The Energy Committee now proposes that the Town focus on the Library for a number of reasons, and they have gotten a new bid for that study of \$650 from S.E.E.D.S. a non-profit one person agency. He noted that more volunteer participation will be required, including use of the Fire Department's thermal imaging camera.

Pat Blanchard reminded the Budget Committee that they reduced this to zero last time. Noel Weinstein said it was his understanding that they were going to wait until a general view of all the Town buildings was done.

Pat Blanchard moved that they approve \$650 to do the assessment of Tracy Library now before construction is finished. There is the potential for pay back there. Frank Anzalone agreed, pointing out that the fact that there is current construction will allow them to compare the old energy consumption with the new. John Wilson pointed out that Tracy Library has just gone for an oil burner to a more efficient propane burner. Frank Anzalone said, but there are still leaks that must be discovered.

Barry Wright seconded Pat Blanchard's motion. There was no further discussion, and the motion to recommend \$650 for an energy study of the Tracy Library passed unanimously.

4. Informational Survey (comparing fifteen Towns' data for audit expenses, Chambers of Commerce, percentages that Personnel costs have in overall budgets, and colas). These comparison were requested by the Budget Committee at its last meeting

Jessie Levine explained that the increase in the auditor's charges are due to new GASB 45 (Government Accounting Standards Board) reporting requirements.¹ Jim Wheeler compared New London's figure for this with its two neighbors. Jessie Levine said that their auditing company has actually dropped Sunapee, due to the time and work involved in these new reporting requirements, and Newbury uses a different firm.

Carol Fraley pointed out that New London's proposal includes \$3800 that she will spend for extra assistance from MRI with closing and getting ready for the audit. She did this in 2007, the first year the sewer department was part of the Town's budget, and she has asked for this again this year. She anticipates that number (for MRI's help) going down year to year. Thus actual auditors' fees are \$13,800 and Budget Committee members noted that that puts New London more in line with the other Towns in the comparison.

Jessie Levine said that if the Budget Committee feels it would like to put New London's auditing work out to bid, she requested that that not be done until next year, as we are already quite near reporting time for 2008 now. Barry Wright recommended that the Budget Committee make no changes to this number this year, and other Committee members agreed without a separate vote. Noel Weinstein asked if the State has reporting requirements. Jessie Levine and Carol Fraley said yes, the Town files reports (as the MS 9 and 10) annually to the State. Those are shown in the Town Report.

Jessie Levine said that New London's personnel costs comprise 49% of its budget, and they calculated that using the operating budget numbers, exclusive of numbers for capital reserves. She does not know if the other towns shown in this comparison do that as well.

5. January 15 Memorandum regarding Police Department Staffing Requirements

Chief David Seastrand said he has submitted this in response to the Budget Committee's questions at the January 2 meeting, including John Wilson's of how many other towns the size of New London have two detectives. He said he was able to research a great deal of the data included here from the Local Government Center. The fifteen page memo includes:

¹ Good informational article on GASB 45 by Barbara Reid in *Town and City*, January 2008, p.17.

- Comparison of staffing levels with ten other towns.
- Description of the detective job function.
- Summary of calls for service, citations, incidents, accident reports, arrests, investigations from 2004 through 2007.
- Charts showing calls for service by day of week and time, showing lowest call for service on Mondays and Wednesdays and between 4 and 8 am. The highest figures are seen Thursdays, Fridays and Sundays, and after 7 p.m.
- Staffing Study Report prepared for the Town of Leicester, MA by Earl Sweeney Assistant Director of the NH Department of Safety and management consultant to New England police departments.

At this meeting, he walked the Budget Committee through the report, and made the following points specifically:

- Some Towns call their detectives “police lieutenants”. Lieutenants are paid more than detectives.
- New London has additional considerations including the college, the proximity of the interstate, the hospital, and the larger senior population.
- Despite these, they have added only one full time police officer over the last ten years.
- The Town is growing more quickly than the police department.

In conclusion, New London Police Department is in the low to middle range in staffing for a town of this size

Budget Committee members appreciated the abundant and comprehensive information this packet provides, and said they would like time to digest the information before commenting.

Mark Kaplan reminded everyone that the State is proposing to enlarge the Park & Ride. He asked Chief Seastrand if the police department would anticipate more calls after that. David Seastrand said yes, the larger number of cars and people there will likely result in additional calls for police assistance at the park & ride. Mark Kaplan said that fact ought to be noted when the Town meets with the State on this proposed enlargement. Jessie Levine said David Seastrand will be present at those meetings.

Jim Wheeler asked how many of the calls for service are to other towns. David Seastrand said the numbers shown here do not include calls for back up or a presence by New London police to other towns. After 2 a.m., the New London police officer is the only one out there, and the nearest State police might be as far as Concord.

John Wilson asked if they get a large number of calls from the college and how does that number compare with other towns that have colleges. David Seastrand said the college has its own Safety and Security department but that does not have the authority to arrest or detain. Other college Towns vary. In Durham and Plymouth, the campus Security officers can act as police officers, but a town like Henniker for example, has a similar situation as here.

6. Cleaning Services for Whipple and Academy Buildings

Jessie Levine reported that she has met with Bob Morse and Paula Rowell and learned that due to a billing error, Sodexo has only been charging the Town for labor, and not for benefits, insurance and overhead for several years (since the Town renegotiated to eliminate maintenance from their contract). In addition, Sodexo reps informed her that 27.5 hours per week is not adequate to thoroughly clean both these buildings, and they would like to increase that to 40. However, conceding that the Town is near the

end of the budget process, Mr. Morse proposed contracting for 30 hours per week this year (increase of \$6,825). The benefits that have been inadvertently left out in previous years will also be added in (increase of \$3861). That means a total 2008 allocation of \$23,600 for cleaning the two buildings. Next year, Sodexho would like to go to the 40 hour week, and at current rates, that would mean a request for 2009 of \$35,000.

Jessie Levine proposed to the Committee that this increase is reasonable. An independent contractor would charge closer to \$20 per hour, and would necessitate her time in overseeing. One other quote she obtained was for \$40,000.

There was some question of whether or not it should take 40 hours per week to clean the two buildings. And Noel Weinstein expressed concern that adding in a “catch up figure” might set a dangerous precedent. Jessie Levine said they are not making up for the error of past years with this figure, but are putting in correct figures starting in 2008. She noted that Sodexho continues to cut the Town some slack.

Barry Wright moved that the Committee recommend the increase of \$10,700. Connie Appel seconded. No further discussion. Motion unanimously approved.

7. Sewer Department Work

Data provided to the Budget Committee at this meeting shows a total of 928.5 hours spent by Public Works employees on sewer work in 2007, at a cost of \$26,016.42, covered by sewer department users.

Jim Wheeler opened some discussion about the fact that due to the addition of sewer department work, the Highway Department Administrative Assistant position was adjusted to full time, and does entail all the full time benefits. He suggested that if this change in hours was made specially in response to the addition of sewer department work, perhaps the sewer department could pay a little extra toward that cost. Mark Kaplan and Jessie Levine said that both departments are well served by having the full time Administrative Assistant, but Pat Blanchard and other members expressed concern about the proverbial “budget creep.” Jessie Levine suggested that the Selectmen could look at a different way to charge for that if the Budget Committee wishes.

Jim Wheeler asked about administrative/executive costs. Jessie Levine said that early in the change over process, the Town told the sewer department it would not charge for those.

8. Gravel Roads

Distributed: list of gravel roads proposed to be paved ranked according to high, medium and low priority, and respective estimates. Also provided was a spread sheet comparing the current ten year plan with that same plan stretched out over twenty-seven years as discussed at the last Budget Committee meeting.

There was lengthy discussion on the fact that if the plan is stretched out to 20+ years, current maintenance of those gravel roads not paved must continue, and the allocation for gravel road maintenance would go up to \$60,000 (compared to \$30,000 in that line if the Town stays with the ten year plan). Numbers provided at this meeting include 3% compounded interest.

Barry Wright asked as roads are paved, would the amount going to maintenance of gravel roads decrease. Jessie Levine said it would take a long time to see that impact. John Wilson asked if the \$60,000 for gravel road maintenance shown in the 27 year plan should be \$30,000 as in the 10 year plan. Jessie Levine said that line has been \$60,000 for a number of years, despite increasing costs. They wish to put

\$30,000 of that into the capital reserve. She pointed out that with the ten year plan, they knock down the number of miles of gravel roads to be maintained, but that does not happen so quickly in the 20-year plan.

Noel Weinstein also questioned why gravel road maintenance is \$30,000 in the ten year plan but \$60,000 in the 27 year plan. Richard Lee explained that with the 27 year plan, the gravel roads that are not paved will have to be kept up for a longer period of time. He added that there are many gravel roads in Town that are not even on this list.

Pat Blanchard asked what percentage of gravel roads this list comprises. The Town has 41 gravel roads, 21 are not on this list. Richard Lee said of those, traffic volume and other considerations may indicate that they do not need to be paved.

Jessie Levine opined and Budget Committee members agreed that decisions on paving gravel roads should not be based on individual requests, but on safety, cost, and other factors that impact the entire Town.

Barry Wright said people have the option of going to Town meeting with a petition, and he asked if Town meeting passes one petition for paving, would that open the flood gate for many more. He recommended that having a plan like this at least assures that paving is done on a schedule that is best for the Town as a whole. Jim Wheeler asked how likely it is that if the Budget Committee and Board of Selectmen do not recommend a particular petition warrant article, the voters would pass it anyway.

Bob Meck asked if this paving is a need or a want. Richard Lee said he has ranked the roads scheduled for paving less by citizen complaints than in accordance with safety and maintenance requirements. He observed for example, that they have redone (drainage on?) the gravel road Quail Run four times this year compared to once for a paved road.

Jessie Levine said that over the past four or five years, residents from two gravel roads have discussed petitioning the Town for paving.

Noel Weinstein asked if gravel road maintenance would eventually go to zero. Jessie Levine said it will never go to zero. Richard Lee said that has to be spread out over all the roads. He proposed that in 2008, the Town allocate \$30,000 for gravel road maintenance mostly for drainage issues, and add \$40,000 to \$50,000 to the paving line item. If the committee recommends the 20 year plan, he will need the \$60,000 to maintain the gravel roads for a longer period of time. There are some things that can be put off for ten years, but not for twenty. John Wilson referred to the minutes of January 2. Richard Lee said that at that meeting, he said he would be willing to go to \$45,000 for gravel road maintenance if the Town (did not go with/stayed with?) the ten year plan.

Barry Wright asked if residents are likely to petition the Town anyway. Noel Weinstein reminded the Committee that at the last meeting they agreed that having a paving plan in place is sufficient.

John Wilson asked about impact on tax rate. Jessie Levine said that with the ten year plan, the impact will be 5-cents, then 5.5-cents, then 6-cents, then drop. In the 20 year plan, the impact will be 3.5 cents for the first ten years, then 10-cents every year after that. John Wilson noted that nothing is gained by spreading the work out then. Barry Wright reminded everyone that right now, they are only talking about 2008.

Pat Blanchard asked if there is any way the Town could assess frontage owners for some of the cost. Richard Lee said it is not legal to charge a betterment fee for road upgrades.

Connie Appel agreed that there does not appear to be a substantial savings in stretching the plan out, so they should probably stay with the ten year plan. She recommended that there be an explanation to the Town that both plans were considered.

No vote was taken on this, but the consensus of the Budget Committee was to stay with the ten year plan, putting \$30,000 in Gravel Road Maintenance and \$76,000 into the capital reserve for 2008.

9. Whipple Town Hall Improvements

Jessie Levine said that the work proposed for 2008 includes raising the floor, putting in a new slab and redoing the police spaces. Eventually, the plan calls for public meeting rooms there, that will double for use in police training. Barry Wright asked if there is a total estimate yet. Jessie Levine said not yet, but a \$75,000 capital outlay is being requested for this purpose in 2008.

10. Personnel Costs

John Wilson said that Personnel costs are 42% of the proposed appropriation, but that takes into account capital reserves. Personnel costs comprise 49% of the Town's operating budget. A 1% increase in pay adds 2-cents to the tax rate.

He referred to Jessie Levine's recommendation at the January 2 meeting that the Budget Committee come up with a number for cola and merit combined, and let the Department heads and administration break that down. Barry Wright agreed with that.

Bob Meck moved that the Budget Committee recommend a 4.5% total increase for wages and salaries. Jessie Levine said that's what's in there now: \$66,200. John Wilson said it's \$80,000 if you consider all the departments.

Noel Weinstein moved that the Budget Committee give the overall number for increase and leave the range of 0 to 4.5% up to the department heads to allocate. Connie Appel agreed that it is not the Budget Committee's job to determine how the number is allocated.

John Wilson said he would consider amending that to 4%. In talking to businesses, he has learned that that is the highest increase being given.

Jim Wheeler opened discussion of the compensation package as a whole. He asked what employees pay for insurance. Carol Fraley said a single employee pays 2.5% and for a family plan, the employee pays 10.5% more than that. All employees pay 25% of their dental plans. Jim Wheeler said that with all the benefits including the tuition reimbursement discussed at the last meeting, perhaps a 4% increase would be more in order, or a compromise of 4.25%. Jessie Levine pointed out that the budget is already down \$21,000

John Wilson called the question on the motion to recommend a total increase in wages and salaries of 4.5% and leave it to the department heads and administration to determine how to allocate that. There was no further discussion. Motion unanimously approved.

11. Miscellaneous

Jim Wheeler noted that in some lines of the budget print out the 2007 actual is really the 2008 request. John Wilson suggested that those kinds of procedural changes be held for the first meeting after Town meeting.

12. Selectmen's Update

Mark Kaplan reported that the Selectmen met on Monday with Representatives Randy Foose and David Kidder, and Senator Bob Odell, and learned that financially the State is in worse shape than New London, and is robbing Peter to pay Paul.

At this meeting, he opened some discussion on the Conservation Commission's proposal to spend \$275,000 for the Schultz land that lies between Bog Road and Clark Pond. That would be \$245,000 to purchase it, and \$30,000 to make it usable.

He observed that the Town already has Low Plain and that is very similar with much wetland. He acknowledged that the Schultz land is in the Master Plan list of lands deemed worthy of protection, but he wonders about the need for this. He suggested it be put to the Town as a bond issue. That would spread the cost out, and would require a two-thirds vote, rather than having a nine member Conservation Commission and a three member Board of Selectmen make this decision. Jessie Levine reminded him that the money in the reserve cannot be spent without a town vote anyway.

Les Norman said the Town already owns abutting land on Bog Road. This would allow access to the pond. In response to question from the Committee, he and Terry Dancy said that despite the amount of wetland there, a developer could put two or three houses on it.

Terry Dancy said the Master Plan specifically lists this piece of property. Right now, the Town has no access to Clark Pond. He said the Conservation Commission is looking long term. Low Plain and the Bog are seeing increasingly heavy usage. Twenty years from now, the population in Town may be so high that people will ask why nothing was done when opportunity presented itself. He added that the Conservation Commission has spent a year in negotiation over this. The Commission got the assessment and felt it was reasonable. It is more valuable to the Town than it would be to a developer.

He reminded the Budget Committee that it was the CIP committee who some years ago recommended that they increase the deposit into the capital reserve for conservation land specifically for this type of eventuality. He asked, why change that approved order of procedure now by requiring that this go to a bond issue. It all goes to the Town anyway. They can't spend the money without Town approval. Mark Kaplan said he would like to see a two-thirds vote on this. That would be required if it is a bond issue.

Jim Wheeler moved that the Budget Committee reconsider its decision to recommend this capital outlay. Pat Blanchard seconded. No further discussion. The motion was defeated in a vote of five to three.

13. Schedule

Jessie Levine said she does not anticipate any large changes at this point, and Budget Committee members agreed that there will be no additional regular meetings prior to the Public Hearing on February 11. Connie Appel opined that there is no fat in this proposed budget. John Wilson said at least no fat that they have not discussed.

Connie Appel pointed out that the Town budget is really the least of the issues facing taxpayers in coming years. The County budget is seeing enormous increases, as is the school, and she is worried that the Town is taking things out of its own budget that are necessary just because county and schools are costing so much. She suggested that next year, the Budget Committee take a look at what sort of lobbying it can do.

Jessie Levine reported that school board reps will be present at the January 26 Selectmen's Advisory Committee meeting. The school budget has been set at this point. New London's share is 29%.

Jim Wheeler asked about surplus this year. Carol Fraley will have that information by next meeting.

Jessie Levine asked the Committee to take a look at the new page 3a in the Budget hand out, and get back to her with any suggestions for changes.

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Meeting adjourned at 9:45 p.m.

Respectfully submitted,

Sarah A. Denz
Recording Secretary