

TOWN OF NEW LONDON
BUDGET COMMITTEE
June 15, 2006

PRESENT: Barry Wright (Chair), Connie Appel, Pat Blanchard, Doug Baxter, Jack Diemar, Bob Meck, Noel Weinstein, Jim Wheeler, John Wilson, Jessie Levine (Town Administrator), Mark Kaplan (Selectman *ex officio*)

ABSENT: Carol Fraley (Finance Officer)

This meeting was held at the New London Fire Station. Barry Wright called the meeting to order at 7 p.m.

1. Meeting Minutes: Doug Baxter moved to approve the minutes of May 17, 2006. Seconded by Pat Blanchard and approved 9-0.
2. Subcommittee Status: The Budget Committee reviewed the subcommittee assignments and agreed that Noel Weinstein and Doug Baxter should swap committees. John Wilson suggested that subcommittee members spend their three-year term on one subcommittee, and each subcommittee would have a first-year, second-year, and third-year member. If the third-year member chose to run for another term and was re-elected he or she would serve on a different subcommittee for the next three-year term. Connie Appel suggested that third-year member serve as chair of each subcommittee, and all agreed.
 - Fire Department: Bob Meck reported on the Fire Department subcommittee's June 5th meeting with the Board of Firewards (Steve Ensign, chair, Mac McKinnon, Dick Brady, Pete Lauridsen, Fire Chief Peter Stanley, Fire Captain Jay Lyon, and clerk Amy Lyon). Budget Committee members present were Bob Meck, Jack Diemar, and Barry Wright, and Jessie Levine also attended. Bob Meck said that the Fire Department is planning towards the retirement of Peter Stanley in May 2007, and is looking at restructuring so there would be two full-time employees: a fire chief and another firefighter. As rationale, the Firewards provided historical information and a projection of town growth and expected services, and has fleshed out an initial budget impact. By FY 2008, the Department expects the increase to cost about \$40,000 per year, and for the half year of 2007 that would be affected, the increase would be about \$25,000. Barry Wright said the Firewards had a spreadsheet that compared their department's number of calls and annual budget to those of other towns, and we stack up very favorably in terms of cost. He cited our budget of \$201,000 compared to Hanover's cost of \$2.2 million. Bob Meck said a comparable town would be Nottingham, which has a budget of \$233,000 with two full-time firefighters and 4,169 residents. Jessie Levine said that on the spreadsheet, New London was fourth out of 17 towns in numbers of fire calls (not including EMS), and 17th for annual budget.

Noel Weinstein asked what problem or inefficiency is driving the request for two full-time employees. Barry said that with the retirement of Peter Stanley, the Fire Department is losing someone with years of service and experience who has a strong ability to lead and dedication to the department that will be difficult to replace with another part-time fire chief. In addition, the department is unable to complete the level of inspections and other fire prevention work that should be kept up, and this would give them a full-time presence for those duties. The proposed schedule is to have the chief work from 8 AM – 4:00 PM, and the second employee to work from noon – 8:00 PM, which would reduce the amount of evening on-call time for volunteer officers. Noel said the value of the additional staff time should be compared to the increased costs. Barry noted that the daytime is the hardest time to get volunteers, since most are working their paying jobs during that time.

John Wilson asked if the Firewards' analysis took into account capital outlay, and Jessie said she did not think the capital needs would change from their current plan. Doug Baxter asked if a second vehicle would be required, and Barry said the Firewards had said no. Jim Wheeler asked if the analysis included staff benefits, and Barry replied that it did, and the second position was expected to be a lower paid employee (i.e., not an officer). Barry said he is assuming that Captain Lyon would either be promoted to chief or would have to leave, and Jessie said that she has encouraged the Fire Department to go through an open search process similar to that performed by the Police Department in hiring its sergeant. If the Firewards ultimately appoint Captain Lyon to fire chief, then the Town would feel comfortable that a fair process had been followed. Connie Appel said that voters should be informed about the process prior to Town Meeting, and Jessie agreed.

3. Capital Improvements Program: The Budget Committee discussed this year's approach to the capital improvements plan. John Wilson (Highway subcommittee) suggested that for continuity, he and Pat Blanchard (Administration subcommittee) should continue to work on the capital improvements subcommittee, and he suggested that a member of the Fire Department subcommittee should also be appointed, pending Budget Committee approval to have three members. Jim Wheeler moved to appoint John Wilson, Pat Blanchard, and Bob Meck to the CIP Subcommittee, seconded by Doug Baxter and approved 9-0. Mark Kaplan will represent the Selectmen. Jessie said that she will keep the CIP on the agenda for the regular Budget committee meetings so that we do not miss opportunities to discuss the program as a larger group.

Noel said the "spookiest" figure in the CIP is on page 10, which projects the tax impact. Jessie said she would talk to Ken McWilliams, Town Planner, about the projections.

4. Barry Morrissey: The Budget Committee discussed whether and how to address concerns raised by New London resident Barry Morrissey regarding retirement benefit obligations. Jessie explained that New London is part of the New Hampshire Retirement System, which not only provides retirement pay to qualified retired full-time employees, but also provides a subsidized healthcare benefit. The portion of the funds that is dedicated to the healthcare subsidy is expected to run out before it meets its obligations to retirees, so NHRS and the state legislature is grappling with how to fund this benefit. If it becomes true that the benefit will not be offered to those retiring after July 2008, then towns could see mass retirement. The Budget Committee discussed how this would impact the Town's expenditures. Jessie said that the Town's contribution is set by NHRS every two years, and has seen high increases for police and fire personnel in the last few years. Noel and Jim Wheeler recommended possible conversion to a defined contribution plan, and this raised questions about whether the Town would have to buyout employees already in the NHRS system.
5. Selectmen's Update: Mark Kaplan gave an update on the Selectmen's oversight of the Sewer Department operations. He distributed a copy of the study by Municipal Resources, Inc., and a copy of the contract between the Sewer Commissioners and Selectmen. Mr. Kaplan said that the Selectmen, Town Administrator, and Road Agent have spent a great deal of time working with the Commissioners to review operations and budget. The Town will be reimbursed for Richard Lee's time but not for the Town Administrator's. The Town has found a tremendous amount of deferred maintenance and an extremely tight budget, so careful future planning is very critical. He said the Attorney General's office is still contemplating a fine for the April 2004 sewer spill, and the Commissioners have been actively involved in that discussion. Jessie said one of her concerns is that the Sewer Department consistently bills below its annual budget, leaving a deficit. This will have to be addressed in future billings. This led to a discussion about inflow & infiltration in the sewer system.

6. Other Business: Jessie said that the Communications Department will be taking on the Town of Sunapee as a customer, which should increase revenues in coming years, although it will also increase costs due to the need to double personnel on expected busy days. Sutton Fire is also considering using New London Dispatch. Jim Wheeler asked who paid for the repairs at the Bandstand, and Jessie said the work was paid for by the Bandstand Committee and overseen by Richard Lee. The Town also provided material such as crushed glass and loam.

There being no further business, the meeting adjourned at 9:00 p.m.

Respectfully submitted,

Jessie W. Levine
Town Administrator