

APPROVED
Budget Committee
Meeting Minutes
February 14, 2011

MEMBERS PRESENT: Jim Wheeler, John Wilson, Connie Appel, Ben Cushing, Bob Meck, Kathy Bianchi, Bill Helm, Celeste Cook, Ann Bedard, Mark Kaplan (Board of Selectmen Representative)

OTHERS PRESENT:

Bob Brown, Conservation Commission Chair
Carolyn Fraley, Finance Officer
Sandra Licks, Library Director
Richard Lee, Public Works Director
Linda Hardy, Town Clerk/Tax Collector
Linda Jackman, Town Administrator's Assistant
Amy Rankins, Land Use Coordinator
Jay Lyon, Fire Chief
Dave Seastrand, Fire Chief
Nancy Friese, COA
Steve Ensign, Board of Fire Wards
John Ryan, Board of Fire Wards
Peter Bianchi, Selectman
Mike Meller, Energy Committee
Tina Helm, Selectman Chair
Peter Stanley, Zoning Board Administrator
Dave Harris, Library Trustee
Bob Bowers, Library Trustee
Chad Denning, Recreation Director
Heidi Thoma, Sailing Instructor for Recreation Department
Terry LeBlanc, New London Hospital
Don Griffin, New London Hospital
Gerald Coogan, Recreation Commission Chair
W. Michael Todd, Moderator
Residents: Phyllis Piotrow, Peter Messer, Dave Cook, Bob & DJ Lavoie, Gus Seamans, Bill & Ki Clough, Sue Clough, Vahan Sarkisian, Sara Smith, Noel Weinstein, Rob Daley, Doug Homan, Joe Cardillo, Hardy Hasenfuss, Hank Otto, Carolyn Ellison, Erle Blanchard, Liz Meller, Sara Smith, Robert Nelson, Bryan Jones

Chair Wheeler opened the meeting at 7:00pm. Ms. Levine reviewed the presentation she gave at the January 31st meeting regarding the budget and where the increases and decreases were represented. The initial requested maximum increase from the Board of Selectmen to the department heads was 2.0%. The current increase is at a 0.9% increase, which was achieved by re-negotiating current bonds with the banks, changing cleaning contracts, and changing employee health benefits. She said that this is an 18 month budget and in total, is a 46% increase over the previous 12 month budget. The budget increases include the return of the Household Hazardous Waste Collection, increased lifeguard hours, two seasons of milfoil prevention, retirement system increases, workman's compensation increases, and _(what did I miss?)... The targeted cost of living adjustment is factored in at 1.7% for some, but not all employees. In the first year of the budget, the Board of Selectmen suggested paying the deductible for the changed healthcare. Ms. Levine said that this budget includes the request from the ambulance program, which represents 0.7% of the budget. This budget includes engineering for Pleasant Lake Dam because they

have received a letter of deficiency from the State. There is \$30,000 in the budget for the design of Lamson Lane construction, which includes grant money from FEMA. This budget includes two winters, two heating seasons, multiple elections, two town reports, and in 2012 they have some limited buyouts for sick time.

Ms. Levine explained that by department, in 2011 increases were 0.5%. The cost to maintain the town buildings decreased by 6.5% because of the change in cleaning vendors, and due to upgrades that are to be made to conserve electricity. The Police Department budget is going down by 4.5% due to previous anticipated overtime which was not used last year. The Fire Department increased less than 1% and increases were because of increased fees to the fire academy and for a new desktop computer. Staff increased by 0.3% and maintenance increased 2.8%. Part of this 2.8% (\$12,000) is to repair the sidewalk from Main Street to the Cleveland House. The extra \$5 residents pay upon registering their vehicles is put into the Highway Maintenance Fund, which will be used to offset this expense. Ms. Levine said that they will be making upgrades to the grader to extend its life. The Transfer Station budget went down by 1.1%. The Solid Waste Clean-Up budget went up by \$9,000 due to the Household Hazardous Waste Collection. Ms. Levine noted that the Recreation budget was the headline of the Intertown Record recently, as their budget went up by 7.7% but this reflects only \$12,000 which is .2% of the total budget. The increase is due to increased lifeguard hours at the beaches and the replacing of sailboats for \$8,000. Tracy Library went up 8% because the Capital Improvements Committee thought it best to move computer upgrades into the operating budget. The Conservation Commission went down 1.7% and includes an intern to assist with trail maintenance and construction. Ms. Levine noted that the milfoil expense of \$21,200 appears twice as there will be two seasons in which it will need funding. Summarizing, Ms. Levine explained that the operating budget is at an increase of 0.9% and does not include the wastewater expense, which increases by 1.1% and also includes some capital expenses.

Chair Wheeler opened the floor to the public for questions and comments.

Mr. Sarkisian wanted to know what the health and welfare line included and how they arrived at the numbers represented. Ms. Levine said that it is the cost of their Health Department and what they pay to outside agencies including the Council on Aging, the Visiting Nurses Association and New London Hospital for the ambulance. It also includes welfare.

There were no other comments and the public hearing was closed.

The Budget Meeting was then opened with a review of the minutes from the January 31st meeting.

Following two small suggested changes, which Ms. Levine took note of to amend, a motion was made.

IT WAS MOVED (Connie Appel) AND SECONDED (Celeste Cook) to accept the minutes of January 31, 2011, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Ms. Levine said that since the last meeting, there were a few changes to the budget. One change was to add \$1 to the Tracy Library Improvement line. Another change was to reduce the Conservation Commission deposit from \$25,000 to \$15,000. A final change that Ms. Levine had recently found out about had to do with a large corporation that registers vehicles in New London. It appears that for 2011 they will be required to register the vehicles in the town and state that the vehicles reside in, which is not New London, New Hampshire. This will decrease their motor vehicle revenue by about \$21,000.

Bill Helm asked if the vote that the selectmen approved prior to the present meeting regarding the ambulance created a change to the numbers or not. Chair Wheeler said that they would start with the higher number.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Bob Meck) to amend the article for the health agency regarding the New London hospital which is currently at \$132,637 and change it to \$93,902, a reduction of \$38,735 in accordance with the vote that the Board of Selectmen took about one hour prior.

Discussion: Bill Helm recued himself because of his position on the hospital board. Celeste Cook recued herself as well. Mr. Kaplan said this was his motion on behalf of the selectmen. He was for it and hoped everyone on the board will also appreciate the fact that it would reduce the tax rate by 3.5 cents. He felt that if hospital was kind enough to negotiate with them and wait for their money, there was no reason not to take advantage of the opportunity. Mr. Kaplan said that they are going to be conducting a study to find how the ambulance service is being run and how it can be done more efficiently. They may save money on the service by doing it this way.

Ms. Bianchi said that it seemed the hospital had made their request of \$132,637 and they were told it was a conservative estimate. At this point she felt comfortable granting them that money and not hedging in terms of what might possibly be due next year. She didn't feel comfortable committing another group to a financial commitment in this way. She appreciated the hospital agreeing to do this, but feels more comfortable paying up front rather than pushing it forward.

Chair Wheeler said the motion is to reduce the line item in their budget; it doesn't come with any assurances that they will get more money next year. There would be a new Budget Committee and new budget next year. They are not committing anything further, only lowering the line item. He felt that the hospital has a 30% stake in this as well and will be trying to keep the costs as low as possible. He felt comfortable taking the gamble.

Chair Wheeler called for a vote:

Those for the reduction: 7. Those against the reduction and for paying the requested amount up front: 1. those recused from the vote: 2. THE MOTION PASSED.

Ms. Levine said there was another change. She and Jay Lyon had talked about the grant for SCBA equipment. They realized if they receive the grant, there would be no money in the budget for them to provide a match. The match could expire as it is an 18 month budget. Ms. Levine asked that \$1 be put in the Capital Outlay line to be able to spend their match out of the capital reserve, which would have to be amended on the floor of Town Meeting. They would need to add the line item into the budget. It is \$1 on the expense and \$1 on the revenue.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Celeste Cook) to add one dollar for Capital Outlay for SCBA equipment, and to add \$1 from SCBA to the capital reserve line.
THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (John Wilson) AND SECONDED (Kathy Bianchi) to amend the Recreation Department's waterfront staff wages from \$45,580 to \$40,580.

Discuss:

Bill Helm asked if this was reconsideration from the last meeting. Mr. Wheeler said that he had talked to legal counsel at LGC and the difference between a losing and a tie vote is that a tie vote is as though it

never happened as opposed to going down in defeat. A motion to reconsider has to be done on the day of or next day of the vote. He commented that the New London Budget Committee doesn't necessarily follow Robert's Rules. Bill Helm was worried they would go through the same discussion and voting outcomes that had occurred in the January 31st meeting. Chair Wheeler said that he would only allow one revisit of a prior vote.

Mr. Wilson reviewed that at a CAC meeting, a member wondered if the bathrooms that were being closed at 5pm could be left open a few more hours and if the police be commissioned to lock them up. At the meeting, Ms. Levine said that she would propose this to the Board of Selectmen. At a Selectman's meeting following the CAC meeting, Mr. Bianchi was quoted as saying that he would like bathrooms open until 7pm and closed by the police. They agreed to do this for a 4-5 week trial. No formal vote for increased lifeguard hours was taken. At the January 31st Budget Committee meeting, the Recreation Director stated that the bathrooms being closed by Police Department was working fine and that he knew of no after-hour waterfront incidents. A rescue was noted by the fire chief that occurred out in the lake and was not a waterfront issue. Mr. Wilson said that he has lived on Pleasant Lake for 40 years and raised two kids there without incident. He has many friends who have done the same. He also shared that he owns an oceanfront cottage on New England's longest and busiest beaches. Lifeguards there leave at 5:00pm. By approving this appropriation as it stands, they are responding to a non-existent request.

Ms. Appel recalled that a statement was made that between 6pm and 8pm was the busiest time of usage for the beaches. She asked if this was indeed the case. Recreation Director, Chad Denning said that it was a true statement that between 5pm-8pm was the busiest time. Ms. Appel thought that the busiest time at the beach should be protected by lifeguards.

Chair Wheeler called a vote: Those in favor of reducing lifeguard hours: 6. those against the reduction: 4.
THE MOTION PASSED.

IT WAS MOVED (John Wilson) to not to fund the sunfish line for the Recreation Department.

Bill Helm said that Chair Wheeler had agreed they would not allow another vote of this sort to go through and that he understood Chair Wheeler would only allow one "re-do" or a prior meeting's vote. Chair Wheeler said he meant that he wouldn't allow more than one revisit on the same subject at that night's meeting.

Kathy Bianchi SECONDED the motion.

Discuss:

Mr. Wilson said that during the December CAC meeting, members were asked about the possible replacement of boats for \$8,000. The consensus was that \$8,000 was too much and that they should consider replacements via donations or from yard sales. Jerry Coogan, chair of the Recreation Commission said that the sailboats were used for three weeks during the summer for just 10 students. Mr. Denning has agreed that they need to keep better usage data of the boats. The only information they have is who has signed waivers. Mr. Wilson explained that the mast holes in these particular boats are vulnerable to hard, inconsiderate usage. He wondered if items of this vulnerability were a good investment for the town. He added that there was no appropriate storage available for the boats, which lent to the deterioration of them. Mr. Wilson confessed that he was not able to vote in favor of this appropriation.

Mr. Denning confirmed that there are a total of five boats they put out every year. Three are usable and two are used for parts to repair the three better boats. There is talk about another boat to be donated but

they don't know anything about it at this point. The majority of donations are not worthy. People who would rather not take their old boat to the dump are giving it to the Recreation Department instead. He said that for \$8,000 they could possibly get four good used ones or perhaps two new ones. Right now they are trying to go for three or four used boats. Mr. Denning explained that while they have three serviceable boats, they are in need of repair, which costs money. He said that these are 40-year old boats which get used 10-20 times/day at least by the general public. Referring to the numbers Mr. Wilson was referring to, Mr. Denning clarified that he stated the accurate number of students per class, but the typical use from residents and their guests is much higher than that. Mr. Wilson read that the Recreation Department wanted to purchase two sunfish with the \$8,000 in 2011. Mr. Denning said that this was their initial goal, but now they would like to purchase used boats.

Heidi Thoma, a resident of Sutton, has being the sailboat instructor at Bucklin Beach for the last three years. Mr. Denning said that they have been selling out the entire sailing program because of her. Bill Helm asked her to explain the usage of the boats and the issues being discussed in terms of the number of boats used and their condition. Ms. Thoma said that there are only 10 kids per class because they are limited by instructor hours and boats that are in condition to teach with. Sometimes they do not have enough boats for the number of kids in the class because of boats needing repair. They are incredibly old boats and sometimes they are found under water, which provides a hazardous situation for new and even experienced sailors. A couple of boats are useful and could be for public use but not for teaching smaller kids. She felt that they were not safe. Ms. Thoma commented that lessons sell out and they are looking at perhaps increasing the number of classes if they have the boats to make it work.

Ms. Appel asked how many classes are offered over the summer. Ms. Thoma said there were three, one-week classes with 10 different kids in each class. In addition, the boats are being taken out by local residents once they have passed a sailing test. Mr. Denning said that they came to the number of 10 kids per class because they can fit two kids per boat.

Ms. Bianchi asked if some of the boats were dangerous. Ms. Thoma said that yes, some were and that they don't use the boats if they are not in working order. Ms. Bianchi asked if they will stop the program if the Recreation Department didn't get the money they are asking for. Mr. Denning said that they've been asking for funding for the last three years and have had no success. They are now at the point that if they don't replace the current boats, they won't have a program or boats on the beach for residents to use.

Chair Wheeler said he has heard a lot from the general public about not wanting to spend this kind of money for a small population of the town, but there are also those who really enjoy it. He needed to think about the general taxpayers in this goal. Ms. Levine said that it may be because they don't have the absolute proof, but even though it is a small segment of the population, access to the waterfront is a necessity. The usage of boats and kayaks is important to many. She felt that this particular committee, with a number of residents living on the water, may not appreciate the access to the waterfront that the Recreation Department allows.

Chair Wheeler called for a vote to reduce the Recreation Department's line item for boats for \$8,000. Those in favor of reducing: 4. those opposed to reducing: 6. THE MOTION FAILED.

Mr. Wilson said that they need to change the listing on the budget sheet to say that the funding is not for two boats, but for the purchase of up to four used boats. Ms. Levine said that this was a quick fix, as it was just an edit.

This discussion concluded the deliberation on the 2011 budget.

Ms. Levine read through the total budget requests with Ms. Cook abstaining from the welfare votes, and Bill Helm abstaining from the health votes.

After the read-through, each member voted “affirmative” to accept the totals.

Ms. Levine said there were two MS-7's they will sign and then Ms. Fraley will make the changes that were made at that night's meeting. One is for the 6 month budget, and the other is for the 12 month budget.

Warrant Articles

Ms. Levine said that there would be no votes shown on the articles. The assumption is that if the Budget Committee approves the overall budget, they've approved the warrant articles.

Chair Wheeler asked the members of the budget committee to speak up if they had any questions or comments on the articles.

Ms. Levine explained that she would make changes in the text in Article 5 to reflect that the Budget Committee and the Board of Selectmen voted to change to the fiscal year. She will also remove the first two lines of estimated tax impact and keep the estimated 18 month tax impact. She will look at Articles 20 and 21 to make it clear that the money coming in will offset the expense.

Mr. Helm said that for the sake of purity, Article 24 should be explained. Ms. Levine said that Articles 22 and 23 are from the Conservation Commission to allow an expanded use of town funds as they relate to conservation. Article 24 changes the use of the capital reserve fund to use it for those purposes described. At any point, they will need to come to Town Meeting for approval; the use would only be broadened. Ms. Levine said that they do not need the approval of the Budget Committee for this. If Articles 22 and 23 are voted down, 24 would follow suit.

Chair Wheeler said that the Budget Committee recommended the warrant articles as presented.

Ms. Bianchi gave a word of thanks to those board members leaving this year and not running again this year. Celeste Cook and Bob Meck would not be running again. Chair Wheeler thanked both of them for their service.

Mr. Helm added that this would be the Budget Committee's last opportunity to meet with Ms. Levine and Ms. Fraley. He said that he could not imagine how they would still be smiling and talking to each other without the wonderful help the two have provided.

IT WAS MOVED (Ben Cushing) AND SECONDED (John Wilson) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 8:11pm.

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London