



TOWN OF NEW LONDON, NEW HAMPSHIRE

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Budget Committee Meeting Meeting Minutes February 27, 2013

BUDGET COMMITTEE MEMBERS PRESENT: Jim Wheeler (Chair), Doug Homan, Bill Green, Ann Bedard, Rob Prohl, Ben Cushing, Larry Dufault, Peter Bianchi (Selectmen's Representative)

MEMBERS ABSENT: Joe Cardillo, John Wilson (Vice Chair)

STAFF PRESENT: Kimberly Hallquist (Town Administrator), Wendy Johnson (Finance Officer)

OTHERS PRESENT: Laura Lorio, Allison McLean, Laura James & Jason Stadler (Recreation Commission members), Scott Blewitt (Interim Recreation Director), Sandra Licks (Library Director), Jen Tockman & Gen Isutsu, (Chamber of Commerce), Ed Andersen (Sergeant), David Seastrand (Police Chief), Jason Lyon (Fire Chief), Steve Ensign (Board of Firewards), Nancy Friese, Hardy Hasenfuss, Earl Blanchard & Fred Mansfield (COA), Tina Helm & Janet Kidder (Selectmen), Jack Sheehan, Phyllis Piotrow, Richard Lee (Public Works Director)

Chair Wheeler called the meeting to order at 7:00pm.

Review of Minutes

February 13, 2013

IT WAS MOVED (Rob Prohl) AND SECONDED (Ben Cushing) to approve the minutes of February 13, 2013, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

February 20, 2013

IT WAS MOVED (Doug Homan) AND SECONDED (Ben Cushing) to approve the minutes of February 20, 2013, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Wheeler gave the floor to Ms. Nancy Friese of COA to explain their budget request to the Town. Ms. Friese presented an overview of what COA does in New London and in the area. Ms. Friese explained that COA has experienced considerable growth in the services used in New London and she believes that these needs will only increase each year. Ms. Friese felt that COA is an economic driver for the Town and brings many people to the area.

Chair Wheeler asked how volunteerism affects their bottom line. Ms. Friese said there is a lot that goes into making sure volunteers are safe providing rides to people who need them. There is a lot of screening that must happen before rides can be set up. Just recently they have had 40 new ride requests which will create an expense to do the screening for those needing rides.

Mr. Homan wondered how they decide if someone is accepted into the ride program. He wondered if the people really had no other options for getting rides to appointments. Ms. Friese said that this is why they have to screen the ride requests. She thought about 99% of the people

who call them are doing so because they have no one else to take them where they need to go. They have been offering rides for the past 15 years and most of the people they service would not call on COA if they had any other option. Ms. Friese said that for a month last spring COA had to stop taking ride requests because they were so overwhelmed. She stressed that this ride program is just one part of what COA does, but shared that showing the statistics for the program over the past several years is a good way to show how the needs of the Town are growing.

Without volunteers at COA, Ms. Friese explained that they would have to pay a fair market value to an employee for the services that are currently done for free. Mr. Prohl asked if they have a problem finding volunteers. Ms. Friese said that they are not having a problem currently, but that the average age for volunteers is 75 and as those people get older, she worried that the younger generation might not step up to help.

Ms. Friese said it used to be that their income came only from their annual fund letter and from the Town and other business sponsors. The Budget Committee asked COA to think about new ways to fundraise, which they have. Ms. Friese pointed out that they now have a book sale, yard sale, and a Spring Appeal, which targets those who use their programs, including the transportation program. Their Town contribution request has increased by 33% and their own costs have increased 89% to be able to handle the increases in programming, fundraising efforts and their Capital Improvement Program.

Chair Wheeler wondered if they could get more income from participant fees. Ms. Friese said they have been asked often why they do not ask for a membership fee. She explained that they have learned that they get a much better return at the end of the year by sending the fund letter and soliciting to those who have received services, than they would if they charged a \$25 membership fee.

Ms. Friese said it has been six years since their last requested increase, however during that time there has been an increase in services and programs, which causes an administrative stress. They will have to hire more people or at least one more person in the future should the growth continue as expected. She felt that seniors who use COA feel safe coming to her or her assistant with questions, problems, or to get information they might not otherwise be able to acquire. She thought this was something that should be recognized and valued as it is part of what COA is there for, but may go unnoticed to those not involved.

Ms. Friese introduced Erle Blanchard, Treasurer for COA, to provide some more information. Mr. Blanchard said when they got to the end of 2012, their expenses were almost identical to 2011; about \$190,000 but their income was down \$30,000. \$17,000 of this decrease was because of a shortfall in donations. They have worked hard on the income side by soliciting to their users, their business sponsors, and by conducting the yard and book sales. They are trying to provide services with all the money they get; they are not trying to build up a reserve of funds. Mr. Blanchard said that COA's Board suggested going to the towns to see if they could increase their donations to help with the shortfalls they are seeing due to the economy. They are not in danger of closing the doors at COA, but they are seeing things get tighter budget-wise. They have had to

defer some maintenance in prior years but still have a Capital Improvement Program (CIP) that helps keep them on track with large projects.

Mr. Homan wondered how COA had dealt with their shortfall in the past. Mr. Blanchard said that they have had to use money from their savings account, reallocate money from their CIP, and had to not fully-fund their CIP for 2013.

Mr. Prohl asked if there were any towns in the area whose funding levels were much lower than they should be due to their usage of COA services. Mr. Blanchard said that all towns do pay something to COA and it is done by ability to pay. Generally, however, towns pay what COA requests. For the smaller towns that are cutting staff and benefits to try and keep their budgets as low as possible, it is sometimes hard for them to justify sending money to New London. They are seeing that all towns are paying at least something, however.

Mr. Blanchard said that they currently have a program where they bring lunch to Bittersweet once a month and they would like to do something similar at Hilltop. He cited nutrition as a key element in assisting the seniors who may not want, or who are unable, to prepare their own regular meals. They would like to do more in this area but would not do it until it could be paid for properly. Mr. Homan wondered if Mr. Blanchard was soliciting during the summertime when more seniors return to New London. Mr. Blanchard noted that this is an area where he thought they could do better, and they intend to put more efforts there.

Mr. Homan was concerned that COA's business model was dependent on soliciting increasing funds from the Town of New London. Ms. Friese noted that most senior centers are operated by towns and are not free-standing. Mr. Blanchard noted that those employed at COA are not making competitive wages and that Ms. Friese has minimal health insurance.

IT WAS MOVED (Rob Prohl) AND SECONDED (Ben Cushing) to fund COA at \$35,000 as requested.

Mr. Homan thought this was a very worthy organization but they need to think about where this extra funding would come from. Chair Wheeler agreed and said that COA is very important to the Town and served many who lived in New London. Mr. Green commented that they should evaluate and not decide on the funding until they are done with the rest of the budget. Mr. Homan suggested tabling this funding for now. Chair Wheeler said there was a motion on the table which could be voted on or tabled. The Budget Committee decided to vote.

THE MOTION PASSED. 4 in favor, 2 against, 2 abstained

Chamber of Commerce – Jen Tockman, Gen Izutsu

Chair Wheeler gave the floor to Ms. Tockman to explain their budget request to the Town of New London.

Ms. Tockman said the Lake Sunapee Region Chamber of Commerce has asked for \$9,600 per year that goes towards payroll and operational expenses for the info booth in New London.

Based upon feedback from the businesses in Town, they would like to hire a part-time person to staff the information booth during the weekend hours of their busy summer season. Currently, the booth is closed on Sundays. This year, they are asking for \$12,100 from the Town. The difference between this request and last year's request (42,500) will be used strictly to pay for this part-time position to keep the booth open on Sundays.

Chair Wheeler wondered why the businesses, through their Chamber membership, could not fund this extra amount as it seemed to be something that would benefit them. Ms. Tockman noted that the request had come from the New London businesses only; the other area businesses outside of New London would see no benefit from the New London information booth being open on the weekends, so it is not seen as a Chamber expense.

Mr. Green wondered if the promotion from the information booth in New London included the other area towns or just New London. Mr. Izutsu said that there is information in the New London info booth about the surrounding towns but it is not seen as a benefit to these other towns to have the booth open on Sundays. Ms. Tockman said during the busy seasons, the information booths in Sunapee and Newbury are open during most weekends and a few days during the week. The New London booth was proposed to be open every day. Ms. Tockman said that they are already open for four hours on Saturdays during the summer and this added expense is to staff the booth the remainder of the day on Saturdays, and on Sundays.

Mr. Green wondered what kind of traffic they would need to see coming to the booth to keep these added hours. Ms. Tockman said that they would need to do it to find out what the response would be. If it is very quiet and only one person comes in on a Sunday, keeping it open on Sundays would not be justified.

Mr. Homan did not see the advantage of staffing the booth later in the season. He felt that starting in May was too early, and that once the leaves fall, they could stop with the extra hours. He also felt that it was more important to have the booth open on a Sunday rather than a Monday. As a business owner in New London, he felt it important to support the Chamber.

Ms. Piotrow asked if the Lake Sunapee Region Chamber of Commerce was part of the National Chamber of Commerce and whether they sent any money to them for political reasons. Ms. Tockman said that they do not give any money to the National Chamber of Commerce.

Fire Department CIP – Jason Lyon (Fire Chief), Steve Ensign (Board of Firewards)

Chief Lyon said the Planning Board, during the CIP process, made a decision about an option suggested to have repairs done to the engine. He said he talked to a member of the Budget Committee, who felt these items (tires, springs) needed to be in the regular maintenance part of the budget and not in the CIP. This year, the engine refurbishment is coming due which includes the replacement of these things. In the future, they will have the maintenance listed as part of the operating budget. Chief Lyon said that this line item would be strictly for the engine, tanker and the ladder; it would not be used for any of the accessory vehicles. He believed the CIP was necessary so they could appropriately budget for unexpected maintenance issues having to do with very expensive apparatus. Mr. Homan suggested scheduling regular maintenance for the

apparatus so as to catch problems before they arise. He did not think that maintenance should be included in a CIP.

Chair Wheeler believed this maintenance account, which they created a few years ago, was to deal with things that were not normal maintenance, such as refurbishing an engine in some apparatus. Mr. Ensign said that there are items in the 2014/15 numbers that might have ordinarily found themselves in an operating budget rather than in the CIP. They will be moved into the operating budget after this cycle when the refurbishment is complete.

Chief Lyon said the purpose of the fund originally came about because they had to spend \$67,000 on unplanned repairs for the ladder truck one year. The Selectmen created an account should they need it for another apparatus under similar circumstances. The Selectmen are agents to expend so if a problem arises the money can be used for that purpose. Mr. Homan said that every year the Town has at least a \$400,000 surplus and finding \$20,000 somewhere to make repairs should not be a problem. Chief Lyon said that his job is to look at the Fire Department budget and not go over. He does not want to rely on having to take money from other departments to pay for things in his own department. Mr. Ensign assured Mr. Homan that this is just a coincidence and that these repairs would be done as part of a refurbishment, not regular maintenance.

Recreation Department – Jason Stadler

Mr. Stadler introduced the Recreation Commission and the new part-time Interim Recreation Director, Scott Blewitt. He said that the Recreation Department was not requesting any increase except for a slight increase in lifeguard pay due to the fact that last summer was unusually nice and they did not have to close the beach for any bad weather. They used up their whole budget for lifeguard wages.

Mr. Green asked Mr. Blewitt if he planned to repeat the same kind of programming that Mr. Denning had run the last several years. Mr. Blewitt said he had been the Recreation Supervisor in Newport, NH for the past 18 years and is currently the Part-time Recreation Director in Sunapee. He felt it important to get to know everyone and find out what the other groups in Town do and then he will see where the gaps need to be filled before he can comment on the types of programming he thinks should be offered.

Mr. Prohl asked Mr. Bianchi if the position would automatically go full-time after the interim period was up. Mr. Bianchi said that the interim period was put in place to give the Recreation Commission a chance to decide what the programming should look like and how they would move forward. Mrs. James added that having Janet Kidder (Selectman) as part of the Recreation Commission is a great way to increase communication between the Commission and the Selectmen to make the best decisions together.

Mr. Green said he reviewed a report that was put together by Mr. Denning and the Recreation Commission last year. The list of activities was long but compared with the participation rates, one could streamline the programming by taking away some things that were not well-attended. Mr. Stadler said that Mr. Blewitt has done a phenomenal job with the activities in the towns he

works/worked in. The Newport Winter Carnival and the Sunapee Turkey Trot are successful events he has been involved in. The Recreation Department wants to bring people into the community and service the needs of it, as well as to bring others in from other communities. Ms. Bedard said the biggest thing that is missing for the community of New London is community spirit. The loss of Hospital Days made this evident. They still have the bandstand concerts in the summer, but she hoped the Recreation Department could do more to bring back that sense of community.

Ms. Allison McLean, Recreation Commission member said that this is the direction the Commission is looking to. They want to make sure they leave all their options on the table in addition to multi-generational activities to create that town-spirit. Looking at the future of their full budget and their director and where they go is an important thing to do. Mr. Homan felt the best thing the Recreation Department could do is to give reasons for “new blood” and younger people to move to town. Ms. McLean said that access to open space, recreation, and activities are drivers of why people move into towns. Mrs. James said that Mr. Blewitt has accomplished the town-spirit feeling in Sunapee and Newport and she was confident that he will do the same in New London.

Mr. Homan felt that the past programming was done in a “shot-gun” approach and it lacked focus and purpose. Mr. Stadler commented that sometimes getting kids to participate is difficult. Programming grows every year but it does take a little time for kids to get into certain things.

Mr. Prohl wondered why not budget for seven rain days since that is the average; changing the budget based on only one experience of less rain days in a summer is not the prudent way to budget. Mr. Stadler said that they are making a best-guess as it is hard to tell what will happen when Mother Nature is involved.

Chair Wheeler said they would be meeting again on April 9, 2013. Ms. Helm said that there is a major conflict with the Planning Board on Tuesday, April 9th, as that is their regular meeting night. She wondered if Chair Wheeler would be willing to move the Budget Committee meeting until April 10th. Ms. Helm said that the recording secretary will be asked to take notes for both meetings at the same time and she also thought that the Planning Board members may want to attend the public hearing on April 9th. Chair Wheeler asked if anyone had an objection to moving the Budget Committee meeting to April 10th. No one seemed to have a conflict with this date. Chair Wheeler said he would check with the absent members to see if they had any conflicts.

Selectmen’s Update

Chair Bianchi said they are close to hiring a new cleaning company who would clean the town buildings within the amount currently budgeted. He added that they have not yet received a letter from the School Board about the lease option for the Town for the 1941 building. It was not felt that a lease would be ready for Town Meeting this year.

Other Business

Ms. Bedard asked why there was such an increase in the salaries for the library employees. Ms. Licks said it is a 2% increase, increased cost of retirement, and the extra pay-period in the fiscal year. That was all that accounted for the increase.

Mr. Green asked about a memo that was sent out about plans to install a sprinkler system in the library for \$250,000. Ms. Licks said she was not familiar with that memo. Mr. Green said if they are reserving \$30,000 and that one item would be \$250,000, that amount would not be sufficient. Ms. Licks said there is nothing in the next ten years for a sprinkler system. Chair Wheeler identified the expense as one that was from a memo in 2010 and was listed as a "future need." It is not in their Capital Improvement Plan.

Ms. Licks said they trimmed some expenses and have anticipated some increase in revenue so the budget they are presenting now is \$5,000 less than it was before. They are now at \$439,000 plus the cost for cleaning.

Elkins Boat Launch

DPW Director Richard Lee addressed the Committee and informed them that he looked into the issue of the boat launch in Elkins. He said the permit for working on the boat ramp at Pleasant Lake would be \$200. The State (DES) does not like asphalt in the lake so he inquired if it would be permissible to fill the hole back in and then replace the three or four feet of pavement that is gone. He proposed filling the hole in and putting 6' of cement in where the asphalt had worn away. DES came back and said "possibly". Mr. Lee suggested that DES will probably make the Town take all the asphalt out and replace it with concrete. The State will not tell them whether or not they will have to do this until after their permit is granted. Mr. Lee said that he knows of a company in Connecticut that makes concrete blocks that are hooked together with cable and are used for erosion control but could be used for this purpose. He anticipated the cost to be about \$3,800 to replace the asphalt with these concrete blocks. Mr. Lee said the permit from the State is good for five years. The Committee thanked him for the information and will take it under advisement.

With no other business, Chair Wheeler called for a motion to adjourn.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Bill Green) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 9:16pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London