



TOWN OF NEW LONDON, NEW HAMPSHIRE

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**Budget Committee Meeting
Whipple Memorial Town Hall
Public Hearing Meeting Minutes
February 3, 2016**

BUDGET COMMITTEE MEMBERS PRESENT: Rob Prohl (Chair), Joe Cardillo (Vice-Chair), Tyler Beck, Phyllis Piotrow, John Wilson, Bruce Hudson, Suzanne Jesseman, Chris Lorio, Colin Campbell, Peter Bianchi (Board of Selectmen's Representative)

STAFF PRESENT:

Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

OTHERS PRESENT:

Ed Andersen, Police Chief
Donna Larrow, Police Department Administrative Assistant
Linda Hardy, Town Clerk/Tax Collector
Richard Lee, Public Works Director
Jay Lyon, Fire Chief
Sandra Licks, Library Director
Tina Helm, New London Resident
Bill Helm, Planning Board Chair
Bill Hardy, New London Resident
Scott Blewitt, Recreation Director
Janet Kidder, Selectman
Linda Nicklos, Deputy Town Clerk/Tax Collector
Renate Kannler, New London Resident
Nancy Rollins, Board of Selectman Chair
Jack Sheehan, New London Resident
Gerry Gold, New London Resident

Chair Prohl called the hearing to order at 7:04pm.

Approval of Minutes

IT WAS MOVED (Bruce Hudson) AND SECONDED (Joe Cardillo) to approve the minutes of January 20, 2016, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Overview of the Budget – Kim Hallquist, Town Administrator

Ms. Hallquist provided a brief overview of the budget as presented:

- The general operating budget is up 3.4% compared to 3.8% last year. The combined operating budget and transfers to transfers to Capital Reserve Funds represents an increase of 3% versus 5.1% last year.
- Employees – The Selectmen have retained a consultant from Thornton and Associates to conduct a wage and salary study to see if New London is competitively paying and offering benefits to employees. The study is starting immediately. The Selectmen and Budget Committee have

designated a pool of \$80,000 to address any recommendations the consultant comes up with. It remains to be seen how much of this pool will be used.

- There is a 9.2% increase in employee health insurance, which follows a 12% reduction in the current budget.
- The budget was reduced by \$30,000 reflecting anticipated lower fuel costs (gasoline and heating).

Individual warrant articles:

1. A \$460,000 bond for four projects: sewer lagoon closure project (\$80,000), culvert replacement on Brookside Drive (\$250,000), GIS mapping update project (\$60,000), and sand and salt shed replacement at the Public Works Department (\$70,000). These are all items that the Town has been talking about doing for some time, and the Brookside Drive culvert is on the State's "red list" of deficient bridges.
2. A 5-year lease for a Recreation Van. Town Meeting must approve any funding that spans over more than one year. It will cost \$8,500 for the first year's lease; the total appropriation is \$42,500 (the entire lease term). The Budget Committee has encouraged the Recreation Committee to pay the lease payments out of the revolving fund.
3. \$250,000 for the purchase of two pieces of property on Pleasant Street, known as the Kidder-Cleveland property. The Conservation Land Acquisition Capital Reserve Fund will be used for this purchase. This is a petitioned warrant article.
4. Change purpose of Fire Apparatus Repair capital Reserve Fund to make it suitable for all town vehicles to be repaired using these funds. Chief Lyon suggested this change. They will also ask to appropriate \$12,000 for the fund.

Capital Reserve Fund purchases being requested in FY2017:

1. A new loader and sweeper will be purchased at \$252,694 for the Public Works Dept.
2. \$38,000 will be spent for repair of foundation drainage at Tracy Library.
3. \$12,500 will be spent for dock replacement at Elkins Beach.

Two other warrant articles will also be voted on:

1. K-9 Unit – whether the Town will establish a K9 program. The Selectmen agreed to put this issue before the voters.
2. The purchase of land on Davis Road going to Clark Lookout. Funding will come from the Mary Haddad Trust in the amount of \$300,000.

Ms. Hallquist noted that the estimated town tax rate is \$4.35 which is up about 7.5%. She stressed that the actual tax rate will not be known until October when the rate is set by the State Department of Revenue. Ms. Hallquist explained that in coming up with the estimated rate, many of the numbers used are from the current year's tax rate including the assessed valuation of the town, tax credits and exemptions and it must be understood that these numbers will change before the actual tax rate is set. She pointed out that Ms. Johnson gives a conservative revenue figure that is reasonable given the information known at this time. Another big unknown is what amount the Selectmen will use from the undesignated fund balance to put towards the tax rate to lower it.

To give an example about how this estimated tax increase will affect a homeowner in New London, someone who owns property assessed at \$400,000 will have an increase in the town portion of the tax bill of \$120. If the entire tax rate is considered (including the school and county portions) the tax bill is estimated to increase by \$268.

Chair Prohl thanked Ms. Hallquist, Ms. Johnson, and the office staff for putting the materials together for that evening's meeting. He pointed out that they had less time to prepare the budget this year since town meeting was moved from May to March.

Chair Prohl said there are no salary increases included in any of the budget lines. The \$80,000 salary pool will pay for any and all raises this year.

Chair Prohl explained that the \$460,000 bond will pay for things that otherwise could have been put in the CRF (Capital Reserve Funds). If the money had instead been placed into the CRF it would have added another 10% in the tax rate. Through the use of a bond, they will pay these projects off over 10 years, and the projects can be done now and the cost can be shared by future taxpayers.

Chair Prohl went through each of the line items and the capital reserve lines, explaining the increases and decreases. He noted that the impending costs of the dam in Elkins (for engineering and repair) will be considerable. There are also costs and issues associated with Whipple Hall; the Town has yet to decide what the future of the building will be. When this is decided, the appropriate upgrades/repairs will be made. Emergency/safety issues will be tended to before these decisions about the building's future are determined.

Jack Sheehan said \$25,000 is put into the sidewalk fund and only \$15,000 was put into the Pleasant Lake Dam fund. He wasn't sure this was the correct order of priority. Perhaps the amounts should be reversed. Chair Prohl said it was their thought that the \$15,000 would pay for the engineering and when they find out what the costs will be, they will begin saving for it or take out another bond. Chair Prohl added that \$25,000 in the sidewalk fund was not as much as Mr. Lee feels is necessary to make repairs and make the sidewalks ADA compliant.

Chair Prohl pointed out a pie chart, which shows where the money is coming from on the revenue side of the budget (conservative estimates at this time).

Mr. Cardillo said the revenue line for dispatch has gone down; why has this happened when they are trying to collect more from the other towns. Ms. Johnson said they lost one town (Grantham) and a dispatch subcommittee worked to come up with a formula on how to charge the remaining towns and a decision was made not to charge towns for building costs and administration costs, which were charged the previous year. Mr. Cardillo wonders if revenues are due to go up as New London Dispatch improves and the equipment is updated. Ms. Hallquist said with the current formula, the town will receive more in revenues if the call volume of the member towns increases. If New London has the most calls, it will pay the most.

Select Board Chair Rollins said this is the year they planned on building up the infrastructure of dispatch. The other towns were informed that the costs for service will go up, but the commitments towards establishing a better infrastructure needed to be met before the price went up.

Chief Andersen said he, Chief Lyon and Selectman Kidder went to all the service towns to get a commitment for the coming year as some towns were afraid that New London dispatch would be disbanding. They went to a select board meeting at every town and gave a presentation, showing the upgrades they have and are making, grants they have in the works, etc. Chief Andersen noted that the Town is awaiting final word on a grant that has been awarded, subject to a check on some migrating birds, but he is confident that the last half of the grant will be approved. The tower has to be up and running by July 11th to abide by part of the grant requirements. Once this is done, New London and

Sunapee's radio frequencies will work better. Chief Andersen concluded by noting that it is likely that a new dispatching service formula will be agreed upon for the next fiscal budget.

Ms. Piotrow asked what the non-property taxes are and why have they declined so much? Ms. Johnson explained it is an estimate on money they collect when people get taxed for taking land out of current use, and the 10% tax on the value of funds from timber cuts. Also, interest revenues are down because tax payers are paying their taxes on time for the most part so interest charged on late payment of taxes has gone down in her figures.

Ms. Piotrow feels it has been a good process this year between the Budget Committee and the Board of Selectmen to meet and discuss these issues to come to a common budget; this makes things less confusing for the voters at Town Meeting.

Mr. Hudson asked about the status of the bandstand and whether or not they will be allocating any further funds to it. Ms. Hallquist said they are not allocating any more money towards this project as the Bandstand Committee has agreed to use its trust funds to pay for the repairs. Repairs should be completed in April or May, depending on the weather.

Chair Prohl suggested that they should try and find a way to get more people involved in the budget process next year.

IT WAS MOVED (Rob Prohl) AND SECONDED (Bruce Hudson) to approve the total appropriations of \$8,695,304. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Rob Prohl) AND SECONDED (Joe Cardillo) to approve the estimated revenues of \$3,632,775. THE MOTION WAS APPROVED UNANIMOUSLY.

The Budget Committee signed the MS-737, which is the Budget for the Town of New London.

IT WAS MOVED (John Wilson) AND SECONDED (Suzanne Jesseman) to adjourn the meeting. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 7:58pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London