

Town of New London  
Budget Committee Meeting  
January 11, 2010

Present: John Wilson (Chair), Bob Meck, Jim Wheeler, Kathy Bianchi, Jack Sheehan, Doug Baxter, Ann Bedard, Mark Kaplan (Selectmen's Representative), Larry Ballin (Selectman)

Absent: Celeste Cook, Connie Appel

Staff Present: Jessie Levine (Town Administrator), Carol Fraley (Finance Officer), Jay Lyon (Fire Chief), Sandra Licks (Library Director), Chad Denning (Recreation Director), Dave Seastrand (Police Chief), Richard Lee (Public Works Director), Linda Hardy (Town Clerk/Tax Collector), Karl Bjorkland, Linda Jackman, Joe McCarthy

Public Present: Donn & Liz Klingler, Doug MacMichael, Bob MacMichael, Peter Hogle, Doug Homan, Peter Bianchi, Katherine Homan, Hardy Hasenfuss, Michele Holton, Emma & Bob Crane, Sue Clough, Bill and Ki Clough, Bill Green, Bob & DJ Lavoie, Steve Ensign, Carol Foss, Ann Loeffler, Terri Bingham, Dick Clayton, Maureen Prohl, Tom Miller, Bob Bowers, Shelby Blunt, Peter Lauridsen, Erle Blanchard, Joe Cardillo, Susie Burmann, Brian Prescott

Chairman John Wilson called the meeting to order at 7:00 PM. He reviewed the rules for the meeting, which were as follows: The only people who were allowed sit at the table in the front of the room were the Budget Committee members, the Board of Selectmen, the Town Administrator and the Finance Officer. They will take comment from the audience for two minutes per person on one subject. They can only revisit the subject at the will of the chairman. Once there is a motion and is seconded on the floor, conversing is limited to the committee.

The first item on the agenda was to review the minutes from the December 14<sup>th</sup>, 2009 meeting. Chair Wilson asked if there were any amendments that needed to be made to the minutes. Ms. Bianchi noted that Earl Blanchard should be removed from the attendance list, as he was not present at the meeting.

**IT WAS MOVED (Jim Wheeler) AND SECONDED (Doug Baxter) to approve the minutes from December 14, 2009, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.**

The next item on the agenda was the reading of a memo from the Board of Selectmen, read aloud by Mr. Kaplan, about the Budget Committee's request to achieve a maximum of a 2% increase in the budget for 2010. With the Board of Selectmen's suggested changes to the budget, they were able to achieve a 3% increase and felt that it should go no lower. The memo is attached to these minutes. Chair Wilson thanked Mr. Kaplan for his presentation.

Chair Wilson said that he would like to thank the Town Administrator, the Department Heads and the Board of Selectmen for finding creative ways to cut the increase in the budget from 8% to 3%, just one percent shy of the proposed 2% increase requested at the last meeting. He asked Ms. Levine to go over what the changes were in the budget.

Ms. Levine said that there were some incidental changes that had come about along the way. Two noted decreases to the health and dental insurance were due to some employees choosing the less expensive health plan. They also received a lower bid for the Town Report, due to fewer reports being made for this year and for a decrease in the size of the report's dimensions. She noted that the Board of Selectmen had

supported funding the Town Planner budget at \$20,600. Ms. Levine proceeded to list the changes proposed since the December 14 meeting:

	<b>Original Request</b>	<b>New Request</b>	<b>Difference</b>	<b>Budget</b>	<b>Tax Rate Impact</b>
EXEC-Health/Dental Insurance	\$ 63,736	\$ 62,605	\$ (1,131)	\$ 7,436,278	(0.00)
Exec-Printing	\$ 12,000	\$ 9,000	\$ (3,000)	\$ 7,433,278	(0.00)
PB-Planner	\$ 15,000	\$ 20,600	\$ 5,600	\$ 7,438,878	0.01
Dispatch-Health & Dental Insurance	\$ 58,982	\$ 58,399	\$ (583)	\$ 7,438,295	(0.00)
Highways & Streets Sidewalk Maintenance	\$ 8,000	\$ 1,000	\$ (7,000)	\$ 7,431,295	(0.01)
Transfer St - Disposal of Recyclables	\$ 9,000	\$ 5,000	\$ (4,000)	\$ 7,427,295	(0.00)
Transfer St - Trash Hauling	\$ 68,705	\$ 60,000	\$ (8,705)	\$ 7,418,590	(0.01)
Transfer St - Tipping	\$ 135,000	\$ 125,000	\$ (10,000)	\$ 7,408,590	(0.01)
Special Waste Drives	\$ 9,000	\$ 1	\$ (8,999)	\$ 7,399,591	(0.01)
CO - Gravel Road Upgrades	\$ 91,508	\$ 1	\$ (91,507)	\$ 7,308,084	(0.09)
TCR-Bridge Maintenance	\$ 5,000	\$ 1	\$ (4,999)	\$ 7,303,085	(0.00)
TCR-Fire Vehicles	\$ 120,000	\$ 117,000	\$ (3,000)	\$ 7,300,085	(0.00)
TCR-Highway Equip Replacement	\$ 160,000	\$ 140,000	\$ (20,000)	\$ 7,280,085	(0.02)
TCR-New Highway Equipment	\$ 6,000	\$ 2,000	\$ (4,000)	\$ 7,276,085	(0.00)
TCR-Town Building Maintenance	\$ 30,000	\$ 20,000	\$ (10,000)	\$ 7,266,085	(0.01)
TCR-Fire Breathing Equipment	\$ 10,000	\$ 1,000	\$ (9,000)	\$ 7,257,085	(0.01)
TCR-Tracy Library Improvements	\$ 80,000	\$ 60,000	\$ (20,000)	\$ 7,237,085	(0.02)
TCR-Transfer Station Improvements	\$ 5,000	\$ 1	\$ (4,999)	\$ 7,232,086	(0.00)
TCR-Conservation Land Purchase	\$ 25,000	\$ 1	\$ (24,999)	\$ 7,207,087	(0.02)
TCR-Recreation Facilities	\$ 15,000	\$ 1	\$ (14,999)	\$ 7,192,088	(0.01)
TCR-Police Vehicle Fund	\$ 25,000	\$ 20,000	\$ (5,000)	\$ 7,187,088	(0.00)
TCR-Gravel Road Upgrades & Paving	\$ 50,000	\$ 5,000	\$ (45,000)	\$ 7,142,088	(0.04)
			<b><u>\$ (294,190)</u></b>		<b><u>(0.28)</u></b>
<b>Revenue as of 12/14/09</b>				<b><u>\$ 2,812,034</u></b>	
	<b>Original Request</b>	<b>New Request</b>	<b>Difference</b>		
REV-Gravel Roads	91,508.00	0.00	\$ (91,508)	\$ 2,720,526	(0.09)
Close computer software fund	-4,261.00	0.00	\$ 4,261	\$ 2,724,787	0.00
			<b><u>\$(87,247)</u></b>		<b><u>(0.08)</u></b>

Mr. Meck said that within the Board of Selectmen's changes he did not see Milfoil listed as a funded program. He wanted to know if that meant that of the \$24,000 that was left, \$18,500 would be available for use in 2010. Ms. Levine answered in the affirmative. He went on to suggest that \$18,500 be used for the Town Planner line. He also mentioned that he had found some discrepancies on what remains at the end of 2009 between the capital reserve fund activity form they looked at last month, and the numbers approved in the Capital Improvements Plan. He said there was a discrepancy for highway equipment replacement. Ms. Levine said that they discovered that they had the wrong beginning balance on the

fund. The change from \$160,000 to \$140,000 meant that in the lowest year (2015) the fund would get to about \$30,000 and that at no point would they get close to zero. Mr. Meck said there was a significant discrepancy between the two figures. Chair Wilson asked what the balance was that was in the fund currently. Ms. Levine said she would get that information to them but didn't have it with her. He asked if there was still \$103,000 available for bridge maintenance for 2010. She said there was.

Mr. Meck had a similar question concerning intersection improvements. After some discussion of numbers, Ms. Levine realized that Mr. Meck was referring to a handout prepared for Town Meeting in March 2009 that projected the year-end balance. The current info was different because it contained actual expenditures as well as the interest earned for the year. Ms. Levine said for the February meeting they could prepare a complete capital reserve balance report.

Mr. Meck asked Sandra Licks, Library Director, if going from a deposit of \$80,000 to \$60,000 in the capital reserve fund would require them to defer projects, and if so, which ones. Bob Bowers responded by saying that the Budget Committee asked them to find ways to reduce their budget after the last meeting. They agreed to try to reduce their contribution to the capital reserve funds. Mr. Bowers said that they started a project three years ago to review the library's needs. They replaced the furnace, switched to using propane, and insulated the ceilings, all in the effort to reduce their yearly spending. Essentially, they began a planning process to improve the library. Mr. Bowers explained that the bids they have received for re-sheeting, insulating and making the old part of the building much tighter, were high. The highest bid was \$226,000. He noted that the impact would be that if they have \$85,000 in their CIP and they planned to have another \$80,000 added to make it \$165,000, they still would have needed to postpone every other capital improvement project to do the proposed work, especially if they failed to receive grant money. Mr. Bowers went on to explain that one part of the upgrade was siding and the other part was window replacement. If they split the project, they would be able to do one of them with the deposit of \$60,000. He added that anticipated fuel savings would also give them more money to use. Mr. Bowers stated that they want to cooperate with the Town to get this piece done. If they split the project it will cost the Town more in the long run, but there was a chance that it might not have much of an impact either. He noted that there were other smaller projects that they may have to postpone, such as painting interior walls.

Mr. Meck asked Fire Chief Jay Lyon why the Self-Contained Breathing Apparatus Fund had not been used in past years. Chief Lyon said in 2017 the apparatus would need to be replaced. He added that the cylinders would need to be replaced at that time as well. The containers were from the 1970's. Chief Lyon explained that what would be proposed next year would go from the \$1,000 this year, to the \$20,000 they will need to be able to replace them by 2017. He noted that they have applied for a \$154,000 grant to replace their air packs. They have had good luck with getting grants in the past so are hopeful to receive another grant for this equipment. Chief Lyon explained that the request for this fund will be much lower in future years, but they cannot certify their current air packs past 2017.

Mr. Sheehan said that he thought the Administration and Department Heads had done a good job to get the budget increase to a percent he felt the Town could live with. He had a few questions on specific projects. One question had to do with something that was in the last printed budget (in early December). It was an item added in that was not in the original budget and was in the amount of \$8,500 for Code Red. He said that this was not discussed at the last meeting and asked Ms. Levine what it was. Ms. Levine said that she had informed the Budget Committee about the addition of the Code Red expense. This is the reverse notification system for calling out to homes in an emergency situation and had been deferred for the past two years. They put it into the dispatch budget but a portion of it would be reimbursed from other surrounding towns. Ms. Levine said that in an emergency situation, residents would be notified of shelter

openings, road closures, etc. They did this initially, in response to the incident when there was sewer spillage in Lake Sunapee; they had no way to tell everyone of the danger.

Mr. Sheehan said that he thought there was still \$20,000 in the budget for Intersection Improvements and \$20,000 for the Sidewalk Fund. He asked if these funds related to the Elkins project. Ms. Levine said that they did. She explained that in the short term it relates to the project, but there would be other projects lined up behind the Elkins project to continue the use of the fund. She went on to explain that these deposits get them just up to the amount they need to go through with the grant match. The match needs to be available for 2011. Ms. Levine said that there would be other projects coming along after the Elkins project was completed. Mr. Sheehan asked why the funds had to be deposited now. Ms. Levine said that the Town had written a letter to the State saying that they have these accounts and a tradition of funding them and saying that the amount would be in place when they receive the grant. If they are challenged or questioned by the State in February and they haven't funded it as it should be, the State could suggest that they would not have the money available to go through with the project.

Mr. Wheeler asked if having money in a fund for this grant was a predisposition of winning the grant. Ms. Levine said that they only require a letter of support by the Town saying that they will have the money in place. It shows that they plan as a community for the future expense. Ms. Levine explained that when you apply for a grant, you take measures to have the matching funds in place. She reminded them that New London has applied for the grant and has received the number one ranking in the region, which means that funding is likely, but they still have to present to the State Transportation Enhancement Advisory Commission in February.

Mr. Sheehan asked if part of the Elkins project was purchasing the Mesa building and if this purchase was integral in getting the grant. Ms. Levine said that it was not, but that it was what the Elkins Subcommittee had asked for. Mr. Sheehan asked if they had any idea how much it would cost to maintain and care for the building once the Town owned it. Ms. Levine said that they did not have that information yet but that it would be available by the time Town Meeting had to vote on the project in 2011. Mr. Sheehan said that he was worried that there was an implication that the whole project had already been approved, and he was worried that they would be sliding into the project without thinking it through start to finish. Ms. Bianchi agreed with Mr. Sheehan and said that she was concerned that they would be opening up a huge, ongoing expense to the Town. She felt that although the grant was wonderful, they needed to be careful and transparent as they go along.

Mr. Ballin said the money they are asking for is a good faith effort on their part to stay in line with the grant process. He explained that they have spent two years working with the Elkins citizens on this project and they all felt it was time to move forward. Mr. Ballin opined that it was short money to put up to have the chance to get this kind of funding. He explained that this project would be a huge step in doing some of the renovating work that the Elkins citizens have been asking for, including the refilling of the pond, Mesa building renovations, and the dam repair. The Elkins village could become a more valuable part of the community. He didn't think this was money that was being poorly spent at this point.

Ms. Bianchi said that the spending may go well beyond the grant money if they are responsible for the dam in Elkins. She wondered what it would take to renovate the Mesa building into a museum. She said that she was 100% behind improving Elkins and believed it to be a wonderful area, and she simply wanted them to be realistic about what it was going to cost. Ms. Bianchi said she would rather set up a reserve fund for improvements to Elkins and be clear on what they have in mind and what it is going to cost them.

Mr. Kaplan said it was important to understand the project is an \$800,000 project. He said that there has never been any question as to the cost. Their portion is 20%, which comes to \$160,000. He explained

that the State expects them to put some money away in good faith towards their portion of the \$160,000. Mr. Kaplan said that it was not a question of getting in beyond their ability to pay. They are going to get \$640,000. Doug Homan asked what portion of the \$800,000 would go towards renovating the Mesa building. Mr. Kaplan said the engineering study hadn't been done yet. Ms. Levine said that during the course of the year, they will figure out the cost for renovating the building and the dam. They already have a Town Meeting vote to obtain ownership of the dam. They will need to go to Town Meeting to approve any further spending. She gave the example of the roundabout project, in which the Selectmen went to Town Meeting three times before spending any money. She said that they have been working on the Elkins planning project since 2005, and in 2008 they held the community charrette. Those two factors helped them to get the grant in the first place, as the State likes to see that they have been planning long-term. Ms. Levine noted that when she met with the Elkins Subcommittee to review her first draft of the grant application, Bob MacMichael said he couldn't believe the Mesa building wasn't included in the project because it was falling apart and needed help, and the rest of the committee agreed that the Town should try to purchase the building. She said it was short-sighted not to look at it as a long-term improvement to the Elkins community.

To clarify the figures that had been mentioned during the meeting, Ms. Levine explained that it was an \$860,000 grant and the Town's match is 20%. She indicated that the grant application is available for all to see on the Town's website. Ms. Levine said that the current owners of the Mesa building are willing to donate half of the purchase price of the building, the value of which may be able to be used towards the Town's match. If the Town is going to purchase the building, the grant offers the best opportunity to do so.

Chair Wilson noted that the Sidewalk Fund had about \$70,000 in it. Ms. Levine noted that \$33,000 would be used from the fund for professional engineering for the Pleasant Street sidewalk due to environmental issues and a historic house. Ms. Levine went on to explain that since the Parkside sidewalk was not done due to the unanticipated engineering costs for Pleasant Street, the State revised the \$100,000 grant that they had awarded the Town so that all funds would go towards Pleasant Street. Mr. Ballin said they will build the Pleasant Street sidewalk this coming spring and will not do the Parkside sidewalk, as there was not enough grant money for both sidewalks.

Mr. Wheeler asked if, at this point, they didn't have the grant for Elkins. Ms. Levine said they are reasonably assured that they will get it but haven't received final approval. Mr. Wheeler asked if they go to the final presentation in February and are asked if they have the money put aside for their match, would they be in jeopardy of not getting the grant. Ms. Levine said that she would tell them the funding that she proposed was cut but that the match would be taken from the capital reserves. Ms. Levine said they applied for the grant in July and have been saving in capital reserves for years not knowing that they would be placed first for the grant. Mr. Ballin explained that if the balance in the capital reserve for sidewalks and intersections would be spent on the Elkins project, they would have it put towards the project. If they had gone ahead with the Parkside project, they would have had to spend even more. It is all money the citizens will vote on. Mr. Sheehan asked how important it was to contribute, at this point, if they can tell the State that there is money being saved. Ms. Levine said that they would have to wait and see how it all comes out.

Mr. Wheeler asked what would happen to the money if they didn't get the grant. Mr. Ballin said that it would stay in the capital reserve.

Peter Bianchi said he felt the cart was coming before the horse. He said that money for the construction of sidewalks on Pleasant Street and Parkside Road was approved by the Town in Article 17, for \$180,000. He opined that no one knew that this money wasn't going to be used for Parkside but for something else. Those funds should be used for only those two sidewalks. Ms. Levine said that the money is being used

for one of the two sidewalks and not anything else. She said that the Town is only spending \$33,000 out of the Sidewalk Fund rather than the \$80,000 approved by Town Meeting. She explained that Town Meeting votes authorize the Town to appropriate money but does not order them to do so. She gave the example that if Town Meeting approved purchasing a truck and the truck was not purchased, they were not doing anything wrong. Ms. Levine went on to explain that Town Meeting has not appropriated money for the Elkins project yet, and the Town is not spending money on Elkins yet. They are asking to fund the capital reserve fund and then the following year will vote to spend the grant money on the project. Mr. Bianchi said that he felt that this sort of thing would make the townspeople lose faith in the Town leaders because they weren't using funds for what they had been appropriated for.

Mr. Lavoie asked what the \$800,000 project consisted of and what sorts of things did they have in mind when they reached that figure. Ms. Levine indicated that both Richard Lee and the engineer from Clough, Harbour & Associates came up with a roughly \$500,000 figure for the construction of sidewalks and intersection improvements, and added to that were engineering fees, archaeological studies (mandated by the State), and environmental permitting because of its proximity to the water, plus the purchase of the building for \$100,000. Mr. Lavoie asked if there would be any dam improvements at all. Ms. Levine said that there would be but the dam was not part of the grant and that the figures for this part of the project would be developed this year and estimated for next year. Mr. Homan asked if Ms. Levine had any idea how much the dam would cost to renovate. Ms. Levine said that she did not. Mr. Homan went on to ask the Budget Committee to think about what it would cost to maintain the sidewalks and the dam and the building, including extra personnel and equipment.

Sue Clough asked about the \$40,000 being asked to allocate this year as a good faith indication to the State that the Town is willing to consider upgrading Elkins. She commented that everyone talks about Elkins as if it was the North Pole, when actually it is an integral part of the Town of New London. She felt that it was an important part of New London especially when taking into consideration the recreational and historical aspect of it. She saw a great value in the upgrades to pedestrian safety and feared that children could be injured coming to and from the beach. She opined that Elkins was in need of work and didn't think that paying \$40,000 to improve the Town was an outrageous amount.

Chair Wilson felt the question people were wondering was that after the request for a 2% maximum increase in the budget, the Board of Selectmen and the administration and Department Heads came back with a 3% increase. Some people say that the money tied up in the Intersection and Sidewalk Funds this year would bring it down to 2%. If that money were diverted this year, Chair Wilson wondered if there would still be enough money in the fund to show good faith with the State to still get the grant if the Town wanted it.

Mr. Sheehan agreed with Chair Wilson's statement. He asked Ms. Levine if at the end of this year there would be \$129,400 in the fund and would that be working towards a \$160,000 goal. Ms. Levine indicated that the goal was \$182,000 for this project. Mr. Sheehan said that the Elkins project sounded like an important one to the Town. He said that since there was some money in the fund already, do they need \$40,000 more this year or could they pare it back a bit and still show adequate good faith. Ms. Levine said it was up to the Budget Committee to decide what they wanted to do, but she was surprised that they were taking issue at a project that is so meaningful and has so much potential.

Mr. Sheehan asked if they got the grant in February for \$800,000 and at that time they were not sure what the Mesa building would cost to maintain, would they have to go through with the building part to get the grant. Ms. Levine said that if they find out the cost of the building was too much, and the townspeople didn't want to do the project, they could go back to the State to adjust the grant. She said that they are committed to purchasing it unless they go back and ask them to revise the grant. She wasn't sure what that would do to the rest of the project.

Maureen Prohl asked if it was clear to the Budget Committee that they can't repair the dam without removing the building from it. She said they are not just purchasing the building because they want it, but it is to repair the dam that the Town already said they want to do. In the interest of transparency with the Town, she suggested that when they bring the issues up, they need to make all these relationships very clear. The average person in the room in March isn't going to remember that they voted to repair the dam and won't know the dam is connected to the building or that they are short "x" amount of dollars to match the funds. Ms. Prohl stated that the Town needs to be clear that they are diverting funds from the Parkside funding to this project. They need to be clear so people understand what they are voting for or against.

Ms. Levine said that the Town is not diverting funds from Parkside Road to this project. Funds that were not spent on Parkside Road stayed in the capital reserve fund and would be voted on again by Town Meeting.

Bill Green said that regardless of whether they vote to fund the \$40,000, when would they have some of the answers to the questions posed so there is a complete picture? He wondered if the answers would be available prior to Town Meeting in 2011. He felt it was difficult to support a project and to have all these questions without having some more answers. Ms. Levine said she understood that and that they would begin to work on the answers after they know they have received the grant in July. Town Meeting in 2011 would have a proposal with the costs. She indicated that an evaluation of the building wouldn't be done for quite some time. She reiterated that she was not asking Town Meeting to support the project at this point but was just asking to approve the capital reserve funding for sidewalks and intersections. Ms. Levine reminded those at the meeting that every year they have been supported by the citizens to fund this account, except for last year when the Budget Committee cut deposits into the funds.

Chair Wilson asked if they don't get the \$40,000 this year, would it spoil their bid for the grant? Ms. Bedard asked if they would go to the grant presentation saying that some funding was in place and that more would be added in the next year. Ms. Levine said that that was what she would say if it were brought up.

Ms. Bianchi thanked Ms. Prohl for her comments regarding Elkins. She said that this may be part of why it may sound a bit contentious. They are not all on the same page or clear on what is out there. She would agree with the comments about being transparent. Ms. Levine said everyone in the public has been invited to the Elkins planning meetings, subcommittee meetings and Board of Selectmen's meetings and that there has been every effort to be transparent. Ms. Bianchi said it was unrealistic to assume that everyone at Town Meeting would attend all those meetings and they need to be informed of the details whenever possible.

Brian Prescott asked who makes the decision that the Mesa building be restored. He wondered if it was up to the Budget Committee or the Board of Selectmen. Ms. Levine said that ultimately it would be decided at Town Meeting if after reviewing the building it is recommended to tear it down rather than to restore it. She said that the Board of Selectmen would make the decision in a public process and it would be brought to Town Meeting.

Mr. Wheeler asked if they were awarded the full grant, are they then committed to following through to restore the Mesa building into a museum. He asked if the engineers say the building can't be restored and should be torn down, how would that work. Ms. Levine said that they wouldn't give them the \$100,000 part of the grant, which was earmarked especially for the building. She said that the good news is that that part of the grant is very clear: \$100,000 is for the building and the rest is for sidewalk and safety improvements. It can be easily carved out if anything happens to show it makes sense not to do it.

Ms. Bedard asked if the \$40,000 would be on the warrant article as a separate article. Ms. Levine said that traditionally all of the deposits into capital reserve funds have been under one warrant article.

Mr. Bianchi asked if the Town has approved repairing the dam. Ms. Levine said she believed it was 2007 when they voted at Town Meeting to accept ownership of the dam but that they were not authorized to make repairs until they returned to Town Meeting. Mr. Bianchi stated that in 2006 they approved to have the Selectmen negotiate to gain ownership of the dam. Ms. Levine said that the vote authorized the Board of Selectmen to negotiate and accept a gift of the dam. Mr. Bianchi read the article aloud: "To see if the Town will vote to authorize the Board of Selectmen to 1) negotiate and accept the gift or transfer of land and appropriate easements from the owners of Map 77, Lot 28 (456 Elkins Road, known as the "Mesa property"), said land to consist of the dam and appurtenant property, for the purposes of conservation, fire protection, historic preservation and other public benefits; 2) consult with state and/or local officials, engineers, historians, and others to determine whether said dam may be restored, breached, or left as-is; and 3) return to Town Meeting before expending funds other than engineering and design expenses. The Town will incur no expenses relative to the process of gifting or transferring the land, other than the Town's legal fees, without returning to Town Meeting."

Chair Wilson asked if they wanted to leave things as they are or if anyone was inclined to make a motion to change things at all.

Mr. Sheehan said that the Elkins project was important and that the Town should do it. He wanted to keep the door open so they could follow through. He admitted that he was nervous about it with regards to contingencies down the road. He suggested that since they have \$129,000 in the two accounts now, instead of appropriating \$40,000 they appropriate \$20,000 which would bring the budget down a bit.

IT WAS MOVED (Jack Sheehan) AND SECONDED (Doug Baxter) to reduce sidewalk appropriations to \$20,000 from \$40,000.

Ms. Bedard asked out of the reserve how much would go towards fixing Pleasant Street. Ms. Levine said it was just the \$33,000 that would be coming out for engineering. Construction would be paid for by the \$100,000 grant they received last year.

Chair Wilson called for a vote. 7 WERE IN FAVOR and 1 WAS OPPOSED. THE MOTION PASSED.

Chair Wilson had a question for Public Works Director Richard Lee. He asked if since the Gravel Roads fund contained \$48,134 and there was no contribution to that this year, could either Rowell Hill or Ridge Road be paved this year or would both have to be eliminated. Mr. Lee said both roads would have to be put off so they could be done together at the same time. Only parts of both roads could be done with that amount of money and it didn't make sense to do it now.

Chair Wilson asked if there was an accounting of surplus from last year. Ms. Levine said they have not finished closing out the year at this point but would have an estimate by February.

Chair Wilson had one further question to try to get into the 2% range. The Milfoil fund had \$24,000 in it. This year's appropriation was \$18,000. He proposed leaving \$800 in the account and putting \$6,500 into the general fund to reduce the budget further. Ms. Levine said that they would have to close the account in order to take money out for anything other than milfoil. Mr. Wilson retracted his proposal as he didn't want to have to close the account.

Chair Wilson went back to Mr. Meck's proposal to reduce the budget to town planner to \$18,500. Obviously this is a topic that over the last couple of months has been up and down. He thought they had

an almost unanimous support to take it down to \$15,000, and now it is back up to \$20,600. He said \$18,500 looked like a good number to him.

IT WAS MOVED (Bob Meck) to adjust the Town Planner's funding to \$18,500. There was no second to the motion.

Ms. Bedard asked about the \$1 being left in several accounts so that people can discuss the issues at Town Meeting. She opined that they were all elected officials and are trying to do the best for the Town. She wondered if the things that needed to be included in the budget could just be put on a warrant article. Ms. Levine said that if funds are brought to zero they cannot amend any of these funds at Town Meeting on the floor, whereas leaving the appropriation at \$1 means it can be amended at Town Meeting. Ms. Levine noted that Ms. Helm was very adamant about this being possible, as was she. She said that just as Ms. Bianchi pointed out that not everyone could attend these public meetings, she thought that Town Meeting should have the final say.

Mr. Wheeler said he was comfortable of the \$1 being in there to keep transparency. He saw no harm but only benefit for doing it this way.

Chair Wilson asked if they could agree that the budget would be amended by the handout from Ms. Levine along with the \$20,000 change that they made to it.

Mr. Wheeler asked if Chair Wilson was suggesting accepting the budget at this point or accepting the changes for this month. He reminded the committee that they have another public meeting still and they may make further changes. Ms. Levine said that the deadline for warrant articles is February 2 and that the budget was not final at this point.

Ms. Levine added that they applied for a grant for work to be done on Lamson Lane. She said that they are going to get the grant and will need a 25% match and are hoping to phase it out over two years. Ms. Levine said that she will have more information on this grant for the February public hearing.

Ms. Levine said that she would like to prepare a final budget packet for the next meeting. If they would approve the changes on the first page and second page, they should ratify it so she can prepare for the next meeting.

IT WAS MOVED (Bob Meck) AND SECONDED (Jack Sheehan) to approve the changes proposed since November 30, 2009. THE MOTION WAS APPROVED UNANIMOUSLY.

Next Meeting: The next item on the agenda was to discuss the agenda for the next meeting of the Budget Committee. Ms. Levine said that she would be presenting the budget handout now that they know what has been approved. They will also talk about any petition warrant articles and last-minute requests.

Selectmen's Update: Mr. Kaplan said that that morning's Board of Selectmen meeting discussed the wastewater plant. New London will be responsible for \$5.2 million dollars. The bond will be written such that if they don't get the grant from the federal government of at least 35% they won't go into the project. If they do get the 35% (equal to \$3.38 million dollars), they discussed that they would divide the cost of that at a rate of 3.7% over 30 years which would be approximately \$186,690 per year. The Selectmen recommend dividing this cost between both the Town and the sewer users: the town would pay 1/3 and the sewer users would pay 2/3. \$62,230 paid by the Town would add \$.06 to the tax rate.

Bill Green said that the minutes from a recent meeting said the plant had a lifespan of 20 years. He wondered if the Town should finance it for fewer years if the lifespan is less than the bond. Mr. Ballin said they have gotten 30 years out of the 20 year plant. Mr. Homan asked if they had reached capacity at

the plant. Mr. Ballin said they had not. Mr. Homan asked if they would only do the project if they got grant money. Ms. Levine said that the plant is well beyond life expectancy and it should be updated while grant money is available. Mr. Homan asked if the Town has been mandated by the State to do this work. Ms. Levine said that they have not been mandated yet.

Mr. Hassenfus asked if this was the first time the sewer users would be paying a portion higher than the Town. Ms. Bedard said that when the original plant was constructed and the line built to Sunapee, what was not paid by the federal government was paid 75% by the Town and 25% for the users.

Chair Wilson asked Mr. Kaplan to discuss the change in recycling. Mr. Kaplan explained that something called "Single-Stream Recycling" would require households to deposit their trash into two bins: one for trash and one for all recyclables. These recyclables would then be transported to Concord. The "Pay As You Throw" (PAYT) portion is a format whereby there will be bags that need to be purchased to dispose of trash. The reason for paying for the bags would provide incentive to do more recycling. If people pay \$1.75/bag, they will have a tendency to buy fewer bags and recycle more. Mr. Kaplan said that they have not decided exactly what they will do with regards to these programs. They may introduce both together or separately, but that they have not made a decision as of yet.

Chair Wilson asked if there would be a motion to present either of these programs at Town Meeting. Ms. Levine said that single stream recycling would be brought up at Town Meeting. She indicated that this would be the case because single stream would require a 15-year contract, which must be approved at Town Meeting. She added that they would like to try to start the PAYT program with single stream program. Ms. Levine said she would bring a warrant article to Town Meeting to authorize contract negotiation for the single stream program.

Mr. Bianchi asked if this recycling program would cause the glass crushing program in Town to cease. Ms. Levine said not necessarily and that the Town could continue to separate glass if it wanted to do so.

IT WAS MOVED (John Wilson) AND SECONDED (Doug Baxter) to adjourn the Budget Committee Meeting of January 11, 2010. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 8:46pm.

Respectfully Submitted,

Kristy Heath, Recording Secretary  
Town of New London