



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES November 12, 2010

PRESENT:

Tina Helm, Chair, Board of Selectmen
Mark Kaplan, Selectman
Peter Bianchi, Selectman
Jessie Levine, Town Administrator

OTHERS PRESENT:

Chad Denning, Recreation Director
Carolyn Fraley, Finance Officer
Richard Lee, Public Works Director
Sandra Licks, Library Director
Jay Lyon, Fire Chief
Dave Seastrand, Police Chief
Kathy Bianchi, Budget Committee
Peter Messer, New London Resident
Jim Wheeler, Budget Committee Chair

Chair Helm called the meeting to order at 8:30 AM. She said that the Selectmen's intention was to have a workshop on the budget. She wanted to focus on some areas of the budget in order to achieve closure. They would not be discussing the Ambulance request, as the representatives from the Hospital would be coming to the meeting the following Monday. Chair Helm identified the following areas of interest: the Household Hazardous Waste Drive, which costs the town \$9,000; the Recreation Department, which wanted \$8,000 to purchase boats; and the Milfoil program. Mr. Bianchi shared that he had about ten pages of questions to review at this meeting.

Mr. Bianchi said that he went through the budget line by line and had questions on many things. He said he wasn't comfortable giving a raise or a cut to any line without having answers to questions he had on the figures.

Mr. Kaplan asked Ms. Levine if the draft they had of the 2011-2012 proposed budget included the changes to the health costs that they voted on earlier. Ms. Levine answered in the affirmative. Mr. Kaplan said the numbers don't add up and he thought it was because dental was added in. Ms. Levine agreed and said that there are some departments that have had employees leave and/or join so they have to budget differently depending on what program the employee would choose. Mr. Kaplan said he understood but it was not self-explanatory. Ms. Levine asked Ms. Fraley if dental was in the tables before but just not the increase of 4.5%. Ms. Fraley said that the dental budget hasn't changed from the initial presentation. The spreadsheet used to make a decision on the health plan only had health and did not show the dental, however the dental was included in the budget figures all along, save for the 4.5% increase. They should only be off by the value of the reduced healthcare. Mr. Kaplan said no one did anything wrong, but it was just not self-evident.

Mr. Bianchi asked if the dental program is the same for everyone. Ms. Levine said yes; the employees pay 25% of the dental care premium. Mr. Bianchi wanted to know the breakdown of what dental costs the town. Ms. Levine said that in 2010 the cost to the town for dental was \$30,072. She added that there have been some personnel changes of late; for instance, a single employee has been replaced with an employee with a family. Also, the dental rates will increase by 4.5% in 2011.

Ms. Levine noted that they also have a couple of buy-outs coming back onto the plan and she planned to spend some more time looking at this as it related to the budget. Mr. Kaplan said that the total cost to the town, including the buyouts, should have been \$536,000 according to the spreadsheet used when making the health decision, but the figures in the budget add up to about \$30,000 higher than that. Ms. Levine said that she and Carol Fraley would look into the figures to find any error or explanation.

Chair Helm said that from talking to people around town, she found that many want a Hazardous Waste Drive, as they haven't had one in two years. She wondered why they couldn't collaborate with other towns to reduce the fee. Ms. Levine said that the cost in the budget *was* the cost with collaborating through the Upper Valley Lake Sunapee Regional Planning Commission. Usually a HHWD is hosted by one in the region and another one, usually in Lebanon each year. There used to be a significant grant to help defray this cost, but now it is minimal. Chair Helm said that going forward they need to do more advertising about the fact that they collect electronics at the Public Works Department as she felt many people didn't know about it.

Ms. Levine said that this summer, New London residents had the option to go to a regional waste collection site, but had to pay \$40 to dispose of their hazardous materials. They received many complaints about this. New London's Hazardous Waste Drive in 2011 is scheduled for August 20, assuming the budget is approved.

Mr. Bianchi asked what constituted "part-time clerical help" in line 120 of the Executive budget. It was \$8,000 and is now \$6,000. Ms. Levine said that is the budget for the Town's recording secretary for the Selectmen's and Budget Committee meetings.

Mr. Bianchi asked Ms. Levine to explain the "Meals and Travel" line item in the Executive budget. Ms. Levine said that it was for staff conference costs, and mileage for staff, including herself, Amy Rankins (Land Use Coordinator) and Linda Jackman (Administrative Assistant).

Mr. Bianchi asked what the "Board of Selectmen Discretionary Account" was for. Ms. Levine said that typically that has been used to pay for the coffee at the CAC meetings, as well as the end of the year the small annual bonuses for employees.

Mr. Bianchi noted that the Executive budget decrease was shown to be -21% but they took out the line items for the Zoning Administrator. That brings the decrease to -2%.

Mr. Bianchi questioned the six-month appropriations, as it was hard to determine when something was going to be half the previous year's appropriation or not. For example, the printing costs for 2011 and 2012 were the same, not half. Ms. Levine explained that it is because they have to print the Town Report at the beginning of the year, so it occurs twice in the 18-month budget. She added that they have looked at every line item to be certain about what comes due at the beginning of the year and what is due later in the year; these things have been analyzed already.

Mr. Bianchi asked how they came up with 10% for the estimate in health insurance increase for 2012. Ms. Levine said that this was a conservative projection as it has been the average increase over the last 10 years.

Mr. Bianchi asked why there was such an increase in the Finance budget. Ms. Levine explained that Ms. Fraley would be retiring in September 2011 and therefore would work through next fall and there would be an overlap with Ms. Fraley and her replacement. There are some contingencies in there with regards to salary and insurance, not knowing who will be hired. Mr. Bianchi wondered if they would be looking to replace Ms. Fraley with someone at the same rate. Ms. Levine said they have no idea of the caliber of person who would apply for the position. She understands the hope to start with someone on the low end of the range but she would like to hire someone with more experience.

Mr. Bianchi asked about "Equipment" in line 440 of the Finance budget. They had appropriated \$7,000 in 2010. Ms. Levine said that the 2011/2012 budget covers the new copier lease at \$223/month. Mr. Bianchi said that they have only spent 60% in 2010 and asked if they will spend the last 40% in the last 2 months of the year. Ms. Fraley said that the lease payments will come due at the end of the year so it will take just about all the remainder of the fund.

Mr. Bianchi asked about "Dues & Subscriptions" line item in the Finance budget. Ms. Fraley said that it is primarily a fund for dues, which are paid at the beginning of the year. She added that there are not many subscriptions.

Mr. Bianchi asked about "Other Health Insurance" budget. Ms. Fraley said that the first five lines are reimbursements from Tracy Library for health and other insurances.

Mr. Bianchi asked about "Sick Leave Buy-Out" in the Finance budget. Ms. Levine said that when they re-did the employee leave and sick time in 2007, the new policy gave employees seven days/year of sick time instead of 15. In the past, employees could have accumulated up to 90 days of sick time. When the change was made in 2007, they could only accumulate 30 days of sick time, and as an incentive not to use the sick time, employees can convert half of the days unused above 30 into salary. The budget includes the cost of doing that in 2012, which is the first time the payouts would become due. Ms. Levine said that not all employees will receive this benefit, as some have used their sick time more regularly.

Mr. Bianchi asked about "Job Search Fees" in the Finance budget. Ms. Levine said that the \$6,500 was needed to find a replacement for Ms. Fraley. She added that she asked for a proposal from Municipal Resources, Inc. (MRI). It was Ms. Levine's recommendation to hire a search firm to find a replacement due to the specialized skills needed for municipal finance. It is a complex position to fill and MRI has knowledge of the role and who is out there in the market. Mr. Bianchi asked about such a service that could be available through LGC. Ms. Levine said that LGC is in flux with this kind of service and it wouldn't be free in any event.

Mr. Bianchi asked about the fund for employee deductibles and whether it should be \$18,500 instead of the \$16,500 in the budget? Ms. Levine didn't think every last employee and their family members would take the deductible, so their estimate of \$16,500 was her best estimate.

Mr. Bianchi asked about the \$7,500 figure in the Employee Raise line in the Finance budget. Ms. Levine said that this was the amount the Board of Selectmen voted on for raises in 2012. It has not been allocated to employees yet so it has been lumped into this line. She said that she would not make a recommendation as to how these dollars should be allocated until the end of next year, so they were put together into this line item.

Mr. Bianchi asked about the "Planning & Zoning" budget. Ms. Levine noted that the Town Planner line item changed from \$20,600 to \$13,000. Mr. Bianchi said the 2012 budget seems too high. Ms. Levine said that there are some bigger projects they think coming down the pike, such as the cell tower site plan and potential large subdivisions, including workforce housing. The Planning Board chair (Tom Cottrill), the Regional Planning Commission (RPC), and Peter Stanley have been in discussion about the work load. Mr. Stanley will do more of the day-to-day work, so no planner will need to come to every meeting as he does now. When there is a significant project, they would ask the RPC for more hours, if needed. Ms. Levine thought these projects would start at the end of 2011 and move into 2012. She added that she had to push the Planning Board to get the line item down as low as it is.

Mr. Bianchi asked about the Zoning Administrator. When he reviewed that information there were discrepancies between how much he was paid. He asked if he would be working at 35 hours for the 18 months of the budget. Ms. Levine said that he would be. She added that Ms. Fraley double-checked the wage lines and it should be accurate. Mr. Bianchi thought they should increase the Zoning Administrator's hours by 5 per week and take those amount of hours away from the RPC. Ms. Levine said that the division of work between the Zoning Administrator and the RPC has already been maximized and adding five hours of the Zoning Administrator's time would not reduce the RPC's involvement at this time.

Mr. Bianchi asked about "Town Hall Maintenance Repair" budget and why it was so high. Ms. Levine said that this was almost entirely due to regular and ongoing HVAC issues at Whipple Hall.

Mr. Bianchi asked about "Highway Garage Maintenance" budget, which is down 50% in 2011. Richard Lee said that they budgeted in 2010 to replace a couple of garage door openers and that expense is not in the following year's budget.

Mr. Bianchi asked about the "Electricity" line items in the Governmental Buildings budget. Ms. Levine said they are always trying to project the future year of usage. That would project an estimated projection for use and a projection from PSNH. Ms. Levine said the actual from Transfer Station shows that as of November they are almost at 100%. They have bumped up the underlying budget and taken into consideration the PSNH increase.

Mr. Bianchi asked about the "Hydrant Service" expense of \$32,000. Ms. Levine said that this is what the Water Precinct charges the Town to take care of the hydrants. Chair Helm said if they will be charging that amount of money, they need to understand why. Ms. Levine said they charge \$250 per hydrant to clear away snow and keep the lines clear. Chair Helm said that she would like to meet with the Water Precinct Commissioners. Mr. Kaplan said that they charge for use of the water that is pumped through the system. The question is, since the fire protection is really the hydrants, why don't they add it to the bills for whoever is using the water. Ms. Levine said that in a way, they are. All the taxpayers in New London benefit from the hydrants even if they aren't in the Water Precinct, so it is spread across all taxpayers in our budget and not just paid for by the users.

Mr. Wheeler asked if they could find out what other towns pay their precincts for the same service. Ms. Levine said she would. Mr. Wheeler wondered what would happen if they decided to charge \$500 per hydrant? Ms. Fraley said that the increase came when a new superintendent came on board who pointed out that the Water Precinct was undercharging for hydrant maintenance.

Mr. Bianchi asked about the expenses under "Cemetery." He said that on the spreadsheet summarizing changes there included two lines for seasonal wage adjustments and he wondered why this was the case. Ms. Levine said that one of them was a duplicate and she took it out at that meeting. Mr. Bianchi asked

how many employees are in the cemetery and Mr. Lee confirmed that they have one employee in the summer months. Mr. Bianchi said he had some doubts about the lawnmowers being replaced every two years. Mr. Lee said they are John Deere mowers costing \$1,500 each, and they get them at Lowe's. The mowers are used 25-30 hours/week in the summer. They actually have had to do some welding on them this week. They can't buy commercial mowers because the head stones are too close together and their decks are too large to get between them. Mr. Lee noted that when the Town is done with the mowers, they put them in the surplus sale and usually get about \$300 -\$400 for them. He said that one mower that was sold had to have about \$300 worth of work done to it before it could be used. Ms. Levine said they take in interest from the Common Fund to offset the cemetery maintenance expenses, so the Cemetery budget is offset by \$19,000 in interest revenue.

Mr. Bianchi asked why the Unemployment Compensation increased. Ms. Levine said this was mentioned in her previous presentation. It is for two reasons: claims have been higher and the State adjusted the wage base that applies. There are increases in the cost of administering the program. The second reason is that there is reimbursement from the library for Workers' Compensation, which increased by 9%. Ms. Levine added that the Property Liability Insurance for Town increased by 6%.

Mr. Bianchi asked why the Police Department overtime was down. Ms. Levine said it is because they estimated high in 2010 because of the New London court closing and more trips were anticipated to the court in Newport. This turned out not to be as significant as expected so the number could drop down again this year.

Mr. Bianchi asked about "Holiday Pay." They spent 64% for three-quarters of the year. He wondered why the figures weren't the same each year as they have the same holidays every year. Ms. Levine said they still have almost half of their holidays to pay for, and the cost depends on who is available to staff and what their wages are. In some cases holiday pay may appear in the part-time wage line and therefore not all of the holiday budget will be spent, which she said is a cost savings.

Mr. Bianchi asked what constituted "Other Professional Services" in the Police Department budget. Ms. Levine said it was for the Prosecutor from the County Attorney's Office, which has a set fee to New London.

Mr. Bianchi asked if they would be spending more out of the "Conference & Training" fund this year. Chief Seastrand said he went to the State Conference this year and that did not appear to be reflected in the budget. He said they usually spend about \$3,000 per year. He said there was not much coming up for the remainder of the year. Chair Helm asked where the expense was for new officer training. Ms. Levine said that there is no cost for the Police Academy, but there is a cost in that the Town has to pay the officer for his/her time while in training. That comes out of the full-time officer budget.

Mr. Bianchi asked what was included in "General Equipment." Chief Seastrand said it was a "catch-all" for everything that wasn't a radio, computer or copier supplies. It included mouthpieces for the breathalyzer, flashlight batteries, spot lights, etc.

Mr. Bianchi asked if they had found any provider for gasoline that was less expensive. Ms. Levine said they had not, as none of the gas stations in New London followed up on initial discussions. Ms. Levine noted that she didn't think it would affect the price; it would just offer better convenience to the Town and support in-town businesses.

Mr. Bianchi asked what the "New Employee Expense" line paid for. Ms. Levine said it pays for outfitting new employees for uniforms. They have a non-lapsing fund set up so if they get a new employee in the

middle of the year they have the money available. They don't have to budget for this expense every year. They just replenish the fund as needed. The fund needs to be reimbursed in 2010 and 2011 to keep the fund whole, as it will be depleted again.

Mr. Bianchi felt that within the Fire Department budget there needed to be a correction in the Chief's salary. Also he was not sure about the difference between part-time wages and on-call pay. Ms. Levine said that the salary is correct for 2011; it was incorrect in 2010 and cannot be changed after-the-fact, but it will not all be spent. Chief Lyon explained that part-time salaries are for those who are responding to calls, while on-call pay is for the eight fire officers who are on call from 7pm – 7am and on weekends. They are paid at one rate to be on call and then get another rate if they actually respond to a call.

Mr. Bianchi said that he and Chief Lyon had met and reviewed the Fire Department's budget. He thought some of the numbers were slightly off. Chief Lyon explained that what he gave to Mr. Bianchi was a supporting worksheet, not the budget that was being presented. He noted that he rounds up to the nearest \$50 on expenses to take care of incidentals, such as shipping costs. He said that Mr. Bianchi thought the uniform shirts at \$59 each were high. Chief Lyon said they are fire retardant and are a recommended part of any firefighter's uniform; a polyester blend, which would melt in the heat, would not suffice.

Mr. Bianchi asked what the "Medical Services" item entailed. Chief Lyon said that it was for physicals and TB and Hepatitis shots for those members who want them. They are not mandatory but if an individual wants them and can't afford them, this fund would be used. They have not spent any money from this fund this year.

Mr. Bianchi asked about the "Hazmat Fee" of \$2,000 in the Emergency Management budget. Chief Lyon said that it is to pay the Town's membership to the Midwestern Regional Hazmat Team. He said he is their representative to the organization. If they have a major hazmat event in New London, the team would come to treat it. Ms. Levine said the Hazmat Team had waived membership dues the last couple of years to assist towns in a budget crunch. Chief Lyon said that it covers hazmat occurrences on I-89 as well as at the hospital and the college.

Mr. Bianchi asked about the "Dispatch" budget and the fees for computer support and license. Ms. Levine said this includes the CodeRED emergency notification system and added that other towns reimburse New London for their share. New London gets 38% back for the whole dispatch budget. Chief Seastrand said the budget also includes licensing for the SPOTS terminals in the dispatch center. That was done two or three years ago. License fees are due at the beginning of the year so appear twice in the 18-month budget.

Mr. Bianchi asked about the part-time position at the Highway Department. Mr. Lee explained that this is to pay John Wiltshire to sit at the stump dump in the winter, and to pay for someone to fill in at the stump dump on Sundays or Tuesdays when he has no one else who can do it.

Mr. Bianchi asked about "Streets and Highway" budget with regards to paving and shimming. He wondered if all bills were in. On paving they spent \$175,649 and on shimming they spent \$56,725. Mr. Lee said there were a few more bills coming in from Pike. They won't be over budget, but they will be close.

Mr. Bianchi asked about "Repair and Maintenance" budget in DPW and whether the increase was for the refurbishment of the grader. Ms. Levine said that it was. Mr. Lee said that the line item included all the repair and maintenance from spark plugs to transmissions. Mr. Bianchi asked if they will spend all the \$48,000. Mr. Lee said they will be very close by the end of the year. Ms. Levine said that they have been

over-spent in this fund in the past. Mr. Lee said that \$41,000 was suggested for total repairs to the grader, but of that, only \$30,000 of repairs were really necessary and only a portion would be done this year.

Mr. Bianchi asked if \$4,000 unspent in the "Culverts" line was encumbered from previous years. Ms. Levine said that it was not; it went into the general fund.

Mr. Bianchi noted that during the last two years, the funds for "Gravel" were not used up; they only spent 63% of what was appropriated. Mr. Lee said that Pike has given them a better deal of late. They should be receiving a bill for about \$15,000 soon. He buys the gravel in the fall when they can get it cheaper, and then they can use it all year.

Mr. Bianchi asked if the sand was all hauled in. Mr. Lee said it was. Mr. Bianchi asked if they do this all year or just through the course of the winter. Mr. Lee said that they just get about 500 yards. The sand shed holds almost 1,000 yards, which is three storms worth if they are lucky. They had about half the snow last year of previous years which is why the amounts were down.

Mr. Bianchi asked if the Transfer Station tipping fees were down. Ms. Levine said that they were. He asked if they are projecting to go down even more. Ms. Levine answered in the affirmative and noted that's why the budget was lowered. Mr. Lee noted that they are down about 75 ton from a year ago. The fees are not going down, but the usage is down. In his opinion, in a down economy when people are buying less there is less brought to the Transfer Station. Recycling has gone up a bit, but not by the 75 ton that has dropped in tipping fees.

Mr. Bianchi asked what was paid for by the "Sewer Contracted Services" fund. Ms. Levine said it was to pay engineers, mostly. She felt that Ed Rushbrook has been conscientious about what he bills the town.

Mr. Kaplan asked if, when they renegotiate the payment to Sunapee, where would it appear. Ms. Levine said that it would be in the 2011 budget and will be represented in the actual, as there is one bill left for 2010.

Mr. Bianchi asked about "Maintenance Repairs & Supplies" line in the Wastewater budget. Ms. Levine said that the expense has been reduced significantly since the Department of Public Works has taken over the wastewater department. Mr. Bianchi said that they appropriated \$14,000 in 2008 and only spent \$400. They appropriated \$14,000 in 2009 and spent nothing. They have also spent nothing in 2010. Ms. Levine said they usually spend out of the equipment budget instead. Mr. Kaplan said that both the expenses and the budget have come down in the last three years.

Mr. Bianchi asked about line 430 for "Maintenance Equipment and Repair." Mr. Lee said that budget is supposed to cover the cost to pull a line out from underneath a home on Barrett Road, which runs under the owner's kitchen floor. He is working on getting the easements to be able to do this. He felt it would be more than \$45,000 to do the work. The 2012 figure is low because they won't do a lot of maintenance work in the winter months.

Mr. Bianchi asked if when the budget is finalized by the Budget Committee, they will be done with budgets until July 2012. Ms. Levine said they would be done until January 2012, when they will begin to prepare the FY 2013 budget.

Ms. Fraley noted that she found an error. Under the Sewer debt service, it should be \$20,000 and not \$2,000.

Wastewater Project: Ms. Levine referenced the Wastewater Project handout. They would borrow \$5.2 million if they don't get the grant or \$3.9 million if they do get the 25% grant. Mr. Kaplan commented that if they get the 25% grant, that's the way they should go. If not, he would encourage the 30-year payback instead of a 20-year payback. Ms. Levine said that they can budget the same way whether they get the grant or not. The difference is minimal in the annual budget.

Mr. Bianchi asked if they should revisit the one-third/two-thirds discussion regarding the sewage fees. Ms. Levine said they should bring it up and have the discussion. The budget would remain the same regardless of how much the taxpayers were paying. Ms. Levine said they should make the decision soon.

Milfoil: Ms. Levine said that the Pleasant Lake Protective Association asked for the full amount for milfoil prevention in 2011 and half in 2012, but when she noted that they were the only ones asking for only half the second year, they went back and amended it so they were asking the full amount the second year, just like the other associations. They don't get the money from other grant sources until their money has been spent, so they need it in the beginning of the year.

Mr. Bianchi asked about why they need \$21,200 for four organizations. Ms. Levine said that it was because the Capital Reserve has run out. They put the request in as their annual operating budget. She added that they had not funded their full request in 2009 or 2010. In the past their requests exceeded the appropriated amounts, as they came after the appropriations. Mr. Bianchi asked if the request for the 2011 budget of \$21,200 would cover their requests. Ms. Levine said that it would and would not be in addition to the \$7,500. She said that \$21,200 for 2011/2012 (two summers) would be \$42,400.

Ms. Levine said that if the Selectmen are inclined to change it, then they should invite the lake associations in to talk about this. She said they used to put \$28,500 into the fund every year and only spent about \$20,000. The fund accumulated to about \$65,000 and over the last 3-4 years the Budget Committee has encouraged spending it down rather than appropriate more money. Mr. Kaplan said they either can appropriate the money or tell them they can't have it. He felt they should appropriate the \$21,200.

Recreation: With regards to appropriation for recreation, Mr. Kaplan said they have tried to get boats donated to the program but the ones that are donated are not good enough to replace the current boats, but have provided parts to help maintain them. Ms. Levine added that if the boats are not replaced, they can't have a sailing program. Mr. Kaplan thought they should leave their requested appropriation in the budget. Chair Helm understood the program was good but she would like to know how many residents and guests are serviced by the program. Ms. Levine noted that there was no fee to use the boats. Mr. Kaplan offered that on a good weather day on the weekend, the boats are used 100%.

Shelby Blunt asked if the boats are used by the same ten people or by different people. Chad Denning said that they are used by other people. He said he wasn't sure how many different people used them but they were used frequently. From a liability standpoint, the boats are questionable. He agreed with Ms. Levine's statement about discontinuing the program if the boats were not upgraded. He said that \$8,000 would purchase two new boats, or three to four good, used boats.

Mr. Denning explained that if they acquired two new boats, they'd get rid of two and would keep two. They are not adding to the fleet, but are replacing unusable ones. Chair Helm was interested in finding out how many people were benefiting from this program. She said perhaps they could buy one this year and another one the next. Ms. Levine said that they have learned their lesson about not replacing equipment when it needs to be replaced, referencing the police cruiser problems they have had this year.

Mr. Denning shared that at their last Recreation Commission meeting, the sailing instructor Heidi Thoma had remarked that their sailing programs sell out every year and are very popular. He stated that they are either going to take away the sailing program or plan for the future, invest a bit and continue to make it grow. Ms. Levine asked Mr. Denning to get her the numbers of those sailing and benefiting from the program for the next Selectmen's meeting.

Mr. Bianchi proposed the following cuts in the budget:

Executive

1. Cut \$1,000 from the part-time clerical help.
2. Cut \$2,500 from the Selectmen's Discretionary Fund.

Ms. Levine said that if the recording secretary isn't funded, the job falls to her, which is not ideal when she needs to be an active participant in the meetings. She added that if the Selectmen's fund is reduced, the already token holiday bonuses wouldn't happen.

Mr. Bianchi stated that from square one he wanted the budget at a zero % increase. He's seen that in the budget, they can move money around easily. When it came down to getting money for the engineering on the Mill Pond Dam, they found the money. There is, in his opinion, somewhere between 2% and 5% left over. Some things may get cut and some things don't get done. Ms. Levine answered that if they create such a tight budget, they won't be able to find money to pay for unforeseen things, like the work on the Mill Pond Dam.

3. *Planning*: Mr. Bianchi suggested cutting \$3,300 out of planner line.

4. *Police*: Mr. Bianchi suggested cutting \$1,500 out of training. Chief Seastrand said he forgot to mention that their ammunition was paid for out of this fund as well.

5. *Fire*: Mr. Bianchi suggested cutting \$1,500 out of the uniforms and safety equipment lines. He said that there was no indication that new people were coming in. Ms. Fraley said that new people were come in every year. Chief Lyon noted that he has had four new people just this year. Out of the 35 people they had 20 years ago, they have just five of those same people left. Over the last 10 years there have been another 10 people who joined. Chief Lyon explained that there is a constant fluctuation of employees including their trainee personnel. They currently have six trainee firefighters so within the last six months they've had six new people.

Chair Helm asked if they pay \$249 for their helmets. Chief Lyon said this was true. Chair Helm asked if people who want something different pay the excess, and Chief Lyon said that this was also true. Also, if they leave, they have to reimburse the town for the remainder of their helmet or leave it with the department.

Chief Lyon said that the Miscellaneous Fund paid for service on their air filling station, and for maintenance that has been needed. He said he doesn't pad the budget, but uses miscellaneous supplies to pay for emergency needs. For instance, when the ladder truck had to have a \$9,000 repair, which came out of the miscellaneous fund, along with other things they weren't able to purchase that year. It is not a cushion for them. Chief Lyon said that gear is recommended for five years. He wants his firefighters to be as protected as possible when going into a fire. They rotate their gear and with the grant they got in 2007 they diminished their request for fire gear from four sets to three. Now that the gear is older, they are asking for an additional set in 2012.

6. Highway Department: Mr. Bianchi suggested cutting \$1,000 out of culverts, sand and gravel.

Mr. Bianchi believed that every one of the line items he has cut could be supplemented elsewhere in the budget if need-be. Ms. Levine said they can't supplement the line items if there is no money in the budget.

7. Recreation Department: Mr. Bianchi suggested cutting \$8,000 out for the boats.

All of these cuts would take \$18,800 out of the total budget. Ms. Levine said that these cuts would equal a penny and a half on the tax rate and would potentially be setting them up for some problems in order to save a small amount on the tax rate. The only cut she agreed with was for the Planner line, as she does not think they will use RPC as much as currently budgeted.

Mr. Bianchi said he still thought if they cut \$1,500 from the Police Department they could find the money somewhere else if they needed it. Ms. Levine said they never know what might come up. What if the highway overspent their sand budget? Ms. Levine said they can't borrow money for something that isn't budgeted unless they go back to the DRA. Mr. Kaplan said they can't make it so tight that the department heads can't move around and take care of things. They shouldn't have to worry that they won't have enough money to take care of the things that need to be addressed.

Mr. Bianchi said he understood that the budget was voted to not go above 2 % but he opined that the town of New London has got to start making some cuts. Ms. Levine said the operating budget they have is a 1.8% increase, of which 1.1% is from the Hospital and the milfoil alone. Every department has tried to make as many cuts as they can without affecting services. The Town Planner is an instance where they try to be as efficient as possible. Mr. Bianchi said that if the cuts he proposed were passed, the \$18,800 was not going to strap the town and keep it from doing its business. Mr. Kaplan said that those cuts would crimp the department heads from being able to do their jobs. The tax rate went down this year and had gone down from last year and they have reduced taxes twice. The dollars are up, yes, but the fact is that they've reduced the tax rate two years in a row. It is a good direction they have taken.

Mr. Bianchi pointed to the bottom line of the budget and said that surplus is generated every year. Ms. Levine said that the reason there has been money left over is because there are things that were encumbered and there were some major projects that had not been done. In 2008 they had the conservation land budgeted for \$275,000 and only spent \$228,000. She said there are ways to explain the lower expenditures and she could do that for the Selectmen if they wished.

Mr. Bianchi repeated that they have spent less each year than appropriated. Ms. Levine said that he does not seem to want to hear the explanation— he just wants to throw out these alarming statistics. Mr. Bianchi said he respects people's opinions but cannot believe that if they cut \$20,000 from the budget it will affect anything. He said they can just agree to disagree.

Chair Helm said that with the \$18,800 suggested cuts from Mr. Bianchi, it is only cutting 1.5 cents from the tax rate. They have not even had the Hospital discussion yet. She thinks they need to ask the lake associations to come in at the next meeting on Monday. It seemed like a lot of money and they may need to adjust it a bit. She was reticent about taking these things out of individual departments. They've done what they were asked to do and they came in under 2%. They have made every possible effort to manage their budgets in every possible way. She thought perhaps other areas could be cleaned up a little.

Chair Helm asked if they recommended to the Planning Board that the planner's number had to come down, that they were required to respond. Ms. Levine said that they did not. It is the Board of

Selectmen's budget. Chair Helm agreed that the number could come down. Mr. Kaplan suggested that Tom Cottrill was not there and they shouldn't cut his budget without giving him an opportunity to speak.

Mr. Kaplan said he did not want to follow through with Mr. Bianchi's suggestions and thought they should let the budget, as it stands, go to the Budget Committee.

Ms. Levine reminded those in attendance that she was available to be contacted about questions regarding the budget at any time. Mr. Bianchi asked her where she was the past week. He noted that she had been away. He asked her if she had been on vacation. Ms. Levine said she was away but had been answering emails and was still available to talk so that questions did not have to be saved for the meeting. She was gone for three days to visit family in Tucson, AZ. Mr. Bianchi said that when she is on vacation she shouldn't have to take the office with her. Ms. Levine said that it was not his place to determine how she spent her time off and she stressed that she has always been available and in touch with those who needed her or information she could provide.

Chair Helm noted the upcoming Citizen's Advisory Committee meeting the following morning. She asked Mr. Kaplan to present the budget as it stands. He agreed to do so.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Mark Kaplan) to adjourn the Board of Selectmen's Meeting of November 12, 2010. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 11:00 AM.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London