



TOWN OF
NEW LONDON, NEW HAMPSHIRE

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**BOARD OF SELECTMEN and BUDGET COMMITTEE
RECONCILLATION MEETING MINUTES
Sydney Crook Conference Room
January 29, 2016
8:00 AM**

PRESENT:

Nancy Rollins, Chairman
Peter Bianchi, Selectman
Janet Kidder, Selectman
Rob Prohl, Budget Committee Chair
Phyllis Piotrow, Budget Committee Member
Bruce Hudson, Budget Committee Member
Joe Cardillo, Budget Committee Member
Chris Lorio, Budget Committee Member
Lyndsay Lund, Budget Committee Member
Sue Jesseman, Budget Committee Member
John Wilson, Budget Committee Member
Colin Campbell, Budget Committee Member
Kim Hallquist, Town Administrator
Wendy Johnson, Chief Finance Office

ALSO PRESENT:

Richard Lee, Public Works Director
Scott Blewitt, Recreation Director
Jay Lyon, Fire Chief
Ed Andersen, Police Chief

Chair Rollins called the meeting to order at 8:00am. She indicated that the meeting was a combined meeting between the Selectmen and the Budget Committee to discuss differences between the two budgets and hopefully come to an agreement so that one budget would be presented at Town Meeting in March.

She recommends the Budget Committee discuss some rationale behind some of the numbers that they do not agree on.

Employee Compensation Pool

Chair Prohl said the Executive Compensation Pool is one item they differ for amounts. One point of view is that they do the review and then plan for increases the following year. He feels the \$80,000 is a compromised solution, as the Selectmen had suggested \$100,000. Mr. Lorio said he still likes the

\$90,000 number; he was not present at the meeting where \$80,000 was voted unanimously on. Mr. Cardillo said he feels the \$80,000 will be sufficient. He is hopeful that the study will move quickly so they can put a plan in place.

Ms. Piotrow said two members of the Budget Committee were not present for the vote when the \$80,000 was voted on. She thinks they should take another vote to be able to include the opinion of the entire Budget Committee. Chair Prohl said he doesn't think they need a re-vote especially since the vote at the meeting was unanimous. He feared taking re-votes among the Budget Committee could result in a longer than needed meeting.

Mr. Hudson said in the prior year budget, the 4% raise across the board came to \$80,000. That is why he is comfortable with that amount in the compensation pool.

Chair Rollins said the study will be a total compensation study, not just for payroll.

Selectman Kidder said she is comfortable with \$100,000 and thinks the first year they should be committed to the study and putting forth the funding that is needed; they won't use what they don't need.

Chair Rollins said there is nothing in rules or policies that say any Board of Selectmen representative to a committee has to adhere to the vote that was taken during their meeting. She is open to the compromise and appreciates the \$80,000. She has heard on several occasions that the Board will simply throw it away or spend it if they don't really need it. She feels they are looking at this study prudently. She doesn't know what it will ultimately cost for compensation but feels the \$80,000 is appropriate.

**IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to follow the Budget Committee's recommendation for \$80,000 for the compensation pool.
THE MOTION PASSED. Janet Kidder was opposed.**

Legal

Chair Prohl said they had decided to fund the line at \$20,000. Mr. Cardillo said Ms. Hallquist had suggested this may be a place to save some money. They were following her recommendation. There were no comments from the Selectmen.

**IT WAS MOVED (Nancy Rollins) AND SECONDED (Peter Bianchi) to accept the Budget Committee's recommendation for \$20,000 for the Legal budget.
THE MOTION WAS APPROVED UNANIMOUSLY.**

Employee Tuition Reimbursement

Chair Prohl said historically, the fund had not been used for many years. They decided to leave it at \$100. Mr. Cardillo feels it is an important benefit for employees and they want to encourage ongoing education; it was important for them that they keep it funded in some capacity. Mr. Lorio feels that Ms. Hallquist can likely find additional funds in the budget should someone wish to take a course and need more than the \$100 allotted for this purpose.

Ms. Hallquist said this is a benefit for full-time employees and is not related to regular employee training.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Peter Bianchi) to approve the Budget Committee's recommendation to reduce the Employee Tuition Reimbursement line to \$100. THE MOTION WAS APPROVED UNANIMOUSLY.

Regional Planning Commission Funding

Chair Prohl commented that since next year's focus will be on compliance, they wouldn't need these additional services. Mr. Helm said when he went to the Selectmen to ask them to withdraw the Zoning Compliance position, he understood that there was money still in the budget for the Regional Planning Commission to be used if needed, while Ms. St. John was busy dealing with compliance. While that money hasn't been used in previous years, he feels it could likely be used this year. The \$2,500 for this purpose wasn't something he thought was on the chopping block. Signs and Accessory Housing Units will need to be addressed as is mandated by the State. Being able to use this resource will be helpful.

Mr. Cardillo asked if there is another line item for the Planning Commission. Ms. Johnson said it is the dues to belong to the commission. Mr. Cardillo asked what the dues cover. Chair Rollins said the extra \$2,500 would be used for targeted projects that the professionals at the Commission could assist in. The regular dues cover about \$17,000 in consulting to the Town. She feels it unfortunate that the Town hasn't engaged the Commission more in the past. Every member town except New London has a Planning Board but will also contract with the commission to use their circuit rider services. Dr. Wilson noted that past planner, Ken McWilliams was employed by the Commission and did work on his own as well, working part-time. He doesn't feel this is necessary when they employ a full-time planner in the Town.

Mr. Hudson said the first vote they took reduced the line from \$2,500 to \$1,000. The second vote took it from \$1,000 to zero. It was noted that they have new information which makes them understand the line should be funded. Mr. Cardillo said like the fuel lines for the Fire Department, they will spend what they spend. It was unknown what the actual amount needed would be.

IT WAS MOVED (Chris Lorio) AND SECONDED (Suzanne Jesseman) to bring the funding for the Regional Planning Commission back to \$2,500, as originally recommended by the Board of Selectmen. THE MOTION PASSED.

Peter Bianchi, Joe Cardillo, Bruce Hudson, and John Wilson were against the motion.

Fuel

Chair Prohl noted the fuel lines were reduced by 25%. Looking at the current price of fuel and projections made this a logical decision on the part of the Budget Committee. If prices go up, they will need to find money in the budget to keep the vehicles going and the buildings heated.

Ms. Piotrow said she found an anomaly in the amount they approved versus what was spent in 2015 for the Elkins Post Office. In 2015 they spent \$2,220 but they have reduced it next year by 45%. She wonders why this is the case; did they get new insulation? Will they work fewer hours? Chair Rollins said the Selectmen were trying to project what was needed. It was noted that each building was not discussed for fuel, rather they reduced the entire fuel line by 25%.

IT WAS MOVED (Phyllis Piotrow) AND SECONDED (Joe Cardillo) to keep the line item for fuel for the Elkins Post Office to \$1,400 for FY2017. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Peter Bianchi) to adjust the total line item for town hall heating fuel to \$12,000, with consideration of the adjusted Elkins Post Office line item. THE MOTION WAS APPROVED UNANIMOUSLY.

Office Supplies

There was a \$400 deduction recommended by the Budget Committee.

IT WAS MOVED (Nancy Rollins) AND SECONDED (Peter Bianchi) to approve the Budget Committee's recommendation to reduce the Office Supplies budget by \$400. THE MOTION WAS APPROVED UNANIMOUSLY.

Paving Services

Chair Prohl said they had taken this down by \$5,000. It had been suggested that they should pave more than less due to the price of petroleum being down. This notion is why they didn't bring the paving line down by even more.

Selectman Kidder said at last year's meeting, many people wanted their roads paved. This reduction doesn't address this. Dr. Wilson said this fund is for re-paving roads, not for paving gravel roads.

Mr. Lee said \$5,000 is what four loads of hot top cost. He wasn't going to argue with this reduction.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to approve the Budget Committee's recommendation to reduce the Paving Services budget by \$5,000. THE MOTION WAS APPROVED UNANIMOUSLY.

Gravel Road Upgrades

Chair Prohl said they reduced this from \$6,000 to \$3,000.

Mr. Lee said he uses this line item to cover overspent line items if necessary. He tries to leave as much money in paving as he can. Last year he under-spent \$29,000 and over-spent \$42,000 in another area. This line item is the first one he looks at when he needs to make up funds in another area. Mr. Lorio said they have never spent over half a million dollars in this area and it makes sense to lower this line item.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to reduce Highways and Streets – Signs, by \$2,000. THE MOTION WAS APPROVED UNANIMOUSLY.

Study of the Transfer Station as Requested by the Solid Waste Subcommittee

Chair Prohl said there are so many other projects coming down the line that he feels they should delay the Transfer Station study for another year. They all agree that the site of the Transfer Station is small and purchasing another property is a controversial and long-term issue. Mr. Cardillo said the consensus they came to was that they should wait on the study because by the time they will be able to make any changes, they will need to have another study done.

Chair Rollins said they can't expect things to happen overnight. In a preceding budget, something should be budgeted so the transfer station can be studied. The work that has been done by the committee is only being deferred; they realize it needs to happen but given everything else before them, it should be deferred.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to approve the Budget Committee's recommendation to defer the Transfer Station study until the next budget cycle. THE MOTION WAS APPROVED UNANIMOUSLY.

Recreation – Beach Maintenance

Chair Prohl said the Budget Committee reduced this by \$1,000. Mr. Lorio said this is for the bathroom cleaning. They gave the Garden Club \$1,000 to beautify the town. He and many others use the bathrooms and he proposes that they put the \$1,000 back into the budget to keep the bathrooms nice. A lot of people use the bathrooms and he doesn't think they should ask the lifeguards to clean them the way they should be cleaned. Dr. Wilson asked if the cleaning of bathrooms wasn't part of the lifeguard's job description. Mr. Blewitt, Recreation Director, commented that the \$1,000 isn't in the budget to pay for professional cleaning of the bathrooms every day. It would be a start, but the lifeguards would maintain the bathroom cleaning between professional cleans. The lifeguards are college kids and are doing the best they can with the knowledge and the skills they have.

Selectman Kidder said if the bathrooms are not clean enough, some may choose to use the lake as a bathroom, which poses a water quality issue.

**IT WAS MOVED (Chris Lorio) AND SECONDED (Suzanne Jesseman) to return the amount for the Recreation Beach Maintenance line item back to \$4,250 as requested by the Board of Selectmen.
THE MOTION PASSED.**

Recreation - Travel & Meals

It was noted that Mr. Blewitt had suggested that he was OK with the reduction.

**IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to approve the Budget Committee's recommendation to reduce the Recreation – Travel & Meals budget.
THE MOTION WAS APPROVED UNANIMOUSLY.**

Bond

Chair Prohl said they had discussed taking some money out of the CIP and taking out a loan or bond to get some work done. The amount was \$460,000.

The loan was broken down into the following amounts:

1. \$250,000 for the bridge on Brookside Drive replacement
2. \$60,000 for the GIS mapping project
3. \$80,000 for the sewer lagoon closure project
4. \$70,000 for the replacement of the sand and salt shed

Mr. Cardillo said these amounts will fully fund some projects that need to be done. They feel it is prudent to bond for these items rather than saving more in the CIP. Chair Prohl said the interest rates are low and by taking out a bond, the payments will be spread out and future taxpayers can be involved in paying for these things. He anticipates future bonds for the dam, Whipple Hall, and perhaps the Transfer Station.

Ms. Piotrow said they are moving in the direction of taking out more long term loans and not committing themselves and not putting adequate money into Capital Reserves for buildings and other things that may come up over time. She feels it is more responsible to save money each year for these things and not wait until there is a catastrophe and they take out a loan to solve their problems; this is the trend in Washington and in Concord and it is not ideal.

Selectman Bianchi said they have 16 capital reserve items they have talked about funding. They are still funding 12 out of the 16; they are still funding capital reserves.

There was discussion about the Recreation van and the method of using the revolving fund to pay to lease a new on a new one.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to approve the recommendation to take out a \$460,000 bond to fully fund four projects in the town, as presented by the Budget Committee. THE MOTION WAS APPROVED UNANIMOUSLY.

Recreation Van

Dr. Wilson understands there needs to be a line item added for this expense. Ms. Hallquist said this is true; even though money will come in from the Recreation Revolving Fund, it will be a wash. A warrant article has to be voted on to enable the Town to sign a lease as it is over a one year agreement to pay a bill.

Lyndsay Lund was opposed to fund a town vehicle using the revolving fund. The fund was created to pay for programming and for employees. They have \$15,000 that was provided as a gift and they should use it, and not the revolving fund, to pay for the payments on the van. Selectman Bianchi doesn't think the fund should pay for things the taxpayers should pay for. If the Recreation Department wants to pay for Red Sox tickets and a bus, they will bill the people who then pay, and it goes back into the revolving fund. In that sense, the revolving fund is used for some sort of transportation. It would be nice if they didn't have to use the fund to purchase something, but it is the issue.

Selectman Kidder said the use of the Revolving Fund has to be approved by the Recreation Commission and the Town Administrator; they can take the recommendation from the Budget Committee, but they don't have to use it. Ms. Lund said she was not opposed to a compromise but feels the town should help pay for the van. Chair Prohl said with the new van, programming can be increased and revenue will go up. This will help pay for the van. If the Commission doesn't want to use the recommendation, the Town will need to pay for the lease.

Mr. Lorio said to take the \$15,000 from the revolving fund, they may need to reduce programming. That was something to think about. They can use the \$15,000 gift to pay for the lease for a year. \$8,460 per year could be put into the fund to pay for the van payments each year.

Mr. Blewitt said the van is not only used for programming. Other departments use it for transportation to training and for other things, like winter carnival.

Ms. Lund suggests removing the notion to use the revolving fund for payments. Mr. Hudson said Mr. Blewitt took the challenge to use the revolving fund to help pay for the van. That is why they have been interested in the idea. Mr. Lorio said by using the \$15,000 up front, they could then put a line item with \$8,460 in it to pay for the van for a year. This way, no money will come from the revolving fund.

Mr. Cardillo said he would like the Recreation Commission to consider, as the programming is there, they could fund this line item themselves.

Selectman Bianchi wasn't sure what the financing was for five years. They will pay more for the van by doing it this way. It would be nicer if they could pay for it all at once but understands they are in a tough budgeting year. Maybe they could charge a surcharge for transportation for trips that provide it. He wasn't aware that they wanted to get the new van right away. He doesn't think a surcharge is unreasonable.

Chair Rollins feels the van is a safety issue. She feels the lease is a good compromise but does believe in the state and town governments, when there is a potential for generating revenue, some of that should offset the cost of a full program. The Fire Department doesn't charge people when they go to someone's house. They could maybe have a sliding fee to generate additional revenue that could offset the cost of the lease.

Mr. Cardillo agrees with Chair Rollins. He feels they need to get creative so they can get help to offset the cost to save money for the taxpayers.

Selectman Kidder feels Mr. Blewitt has done a great deal to get donations and gifts. He has solicited sponsorships for events that take place. They have a lot of free things like the skating rinks, the beaches, the bathrooms, the Easter egg hunt. That is where the revolving fund comes in. If they start charging more for trips, such as the already-expensive Red Sox trips, people won't buy tickets. If things cost too much, people won't do it. This is a vehicle that they have \$15,000 saved already for. It is the responsible thing to do to have the Town participate in this van. A lease is the logical choice and putting a line item in the budget for the van is the right thing to do.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) that the Selectmen strike their request to fund \$15,000 for a Recreation van. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) that a warrant article be proposed to lease a van for five years for the recreation department. THE MOTION WAS APPROVED UNANIMOUSLY

IT WAS MOVED (Rob Prohl) AND SECONDED (Suzanne Jesseman) to recommend the warrant article approved by the Selectmen to enter a five year lease for a recreation department van. THE MOTION WAS OPPOSED UNANIMOUSLY.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to create a new line item in the budget to pay for the lease of the Recreation van for \$8,500 for lease payments for FY2017. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Chris Lorio) AND SECONDED (Suzanne Jesseman) to recommend the addition of a new line item for \$8,500 for lease payments for a Recreation van for FY2017. THE MOTION WAS APPROVED UNANIMOUSLY.

Mr. Lorio didn't think they would need \$1,500 for maintenance on a new vehicle. Mr. Blewitt said they will still need to pay for oil changes, washer fluid, etc. Chief Andersen said they need to think about whether or not they will put snow tires on the vehicle. This is expensive.

IT WAS MOVED (Joe Cardillo) AND SECONDED (Suzanne Jesseman) to create a revenue line item for \$8,500 from the Recreation Department.

Mr. Hudson asked if Sunapee has a van. Mr. Blewitt said they do not.

THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Nancy Rollins) to accept the Budget Committee's recommendation to create a revenue line item for \$8,500 from the Recreation Department.

Selectman Kidder said Mr. Blewitt never has any extra money in his budget, so to think he is going to be able to come up with \$8,500.

THE MOTION WAS APPROVED. Janet Kidder was opposed.

Ms. Hallquist noted that the petition warrant articles are due on February 2nd. She also noted that 5:00pm that day is the cut-off for candidates to sign up to be placed on the ballot to run for an office. There was no school board representative signed up to run at this time.

**IT WAS MOVED (Nancy Rollins) AND SECONDED (Peter Bianchi) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 10:00am.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London