



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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**Approved**  
**Joint Budget Committee and Board of Selectmen**  
**Meeting Minutes**  
**January 9, 2012**

**BUDGET COMMITTEE MEMBERS PRESENT:** Jim Wheeler, Chair, John Wilson, Ben Cushing, Doug Homan, Kathy Bianchi, Bill Green, Ann Bedard

**BOARD OF SELECTMEN MEMBERS PRESENT:** Mark Kaplan, Chair, Tina Helm, Peter Bianchi

**OTHERS PRESENT:**

Linda Hardy, Town Clerk/Tax Collector  
Kimberly Hallquist, Town Admin.  
Peter Stanley, Planning & Zoning Admin.  
Steve Ensign, Board of Fire Wards  
Richard Lee, Public Works Director  
Amy Rankins, Land Use Coordinator  
Nancy Friese, Council on Aging

Dave Seastrand, Police Chief  
Wendy Johnson, Finance Officer  
Chad Denning, Recreation Director  
Jay Lyon, Fire Chief  
Sandra Licks, Library Director  
Joan Pankhurst, Dep. Town Clerk/Tax Collect.

Merry Armentrout, reporter for the *Intertown Record*

New London Residents: Renate Kannler, Bruce Hudson, Hardy Hasenfuss, Bill Helm, Terri LeBlanc, Doug MacMichael, Rich Anderson

Budget Committee Chair Wheeler called the meeting to order at 7:02pm. He announced that Committee Members Joe Cardillo and Connie Appel would not be able to attend the meeting. He recognized the loss of Brian Prescott just two days prior. He noted Mr. Prescott's great service to the Town of New London in the past as a member of the Board of Selectmen, Planning Board, Zoning Board of Appeals, and the Budget Committee. Chair Wheeler wished to dedicate the remainder of the budget season to Mr. Prescott's memory.

Review of Minutes from October 24, 2011

On Page 4, Mr. Homan asked that the second paragraph from the end state that: "Mr. Homan did not argue the point further."

On Page 3, Ms. Bedard believed it should read that "they did not have to use the \$370,000 for the new entry way as that the funding had come to them from a grant from Mascoma Bank."

**IT WAS MOVED (John Wilson) AND SECONDED (Bill Green) to approve the minutes of October 24, 2011, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.**

Chair Wheeler remarked that there had been quite a few meetings held by the administration and the Board of Selectmen in which to focus on the budget. He applauded their efforts. At this time, Chair Wheeler turned the meeting over to the Board of Selectmen for the presentation of their budget.

Chair Kaplan thanked Wendy Johnson and Kim Hallquist for their work on the budget. They are both new to the town and to the town's budget process. They worked hard and diligently on the transition year of

the 18-month budget. He offered a vote of thanks to the both of them on behalf of the Board of Selectmen.

Chair Kaplan had two items he felt were important to bring up for the Budget Committee to consider. The first item had to do with the health insurance program. What they had been doing in previous years was to anticipate what the last six months would cost them. Everyone would increase their departments in that category to cover the last six months. The contract from the insurance company goes from January 1 to December 31. They have to anticipate the cost of the six months that fall after the Town's fiscal year ends. Mr. Bianchi had suggested setting up a new CIP category to handle the anticipated insurance increases. For the year 2013 the total is \$479,413. It is a vast difference from the prior year. This is because they went to a different plan that saved the town a lot of money, and they increased the employee contribution to the plan. The two of these measures saved the town about \$71,000. They realized that in 2012 they were anticipating the increase but did not know what it would be. This budget season they decided to set a CIP fund for this probable increase in the amount of \$31,000. They have also accounted for increases in worker's compensation (which changed by 9% last year) and property liability, as these insurances are on the January – December fiscal year as well. This represents a 10% increase for the year. Mr. Homan said there was about a \$60,000-\$70,000 buffer put in for this last year that the fund still had about \$5,000 left in it. He wondered why they had set aside that much of a buffer. Chair Kaplan said that it was because of the 18-month budget and that it was a one-time occurrence.

Mr. Green asked if there was a way to change the start-date with the insurance company. Chair Kaplan said that they have tried but they only offer one renewal date to everyone, which is January 1.

Ms. Bedard asked if it was going into a CIP how would funds be pulled out. Chair Kaplan said that in December they are notified that the new insurance year would cost "\$x". When that happens they look at what they need to spend between January 1 and June 30th. The Board of Selectmen will be agents to expend the money. Mr. Bianchi said that it will be a capital reserve account that is established. If the insurance doesn't go up 10% but 3%, the money will just stay there to be used for the following year. It has been decided to set up an account in this way so that the money is set aside and cannot be used for anything else. Mr. Bianchi said that if they put it in the budget as a line item, the money could be taken out to be used elsewhere if it was needed for shortfalls within another department's budget. He said that they had discussed this method of saving for the anticipated increases at length and they felt this was the best way to do it. There were other ways that could work, but Chair Kaplan felt they should try it this way.

Mr. Bianchi said that this money for six months of insurance increases is not in the budget papers that the Budget Committee had been given since it will be a warrant article. Ms. Helm felt strongly that it be a separate fund because it was a good way to save for increases in the future, as insurance is sure to go up. She didn't want to see the money vulnerable to being taken out to use for different accounts. Mr. Homan asked if this was something that was anticipated when they contemplated the fiscal year change-over. Mr. Bianchi said that it wasn't, but that this was one of those hidden things that come to light when actually going through the change-over.

Chair Kaplan said that the second item he wanted to bring up was that the Board of Selectmen was suggesting a 2% increase in the salaries of full-time employees. Some employees have not had any increase in the last three years. He referenced a sheet in their packets that showed salaries as well as the savings that have been made for this new budget season. One full-time employee position (with benefits) within the Public Works Department will not be filled in an effort to save money. The department head has asked for \$15,000 to be put into the part-time help line item to make up for this shortfall in the summer. Both Ms. Hallquist and Ms. Johnson were hired at lower rates of pay than their predecessors had

been, for a combined savings of \$8,900. Additionally, a full-time dispatch position will hire someone at a lower salary than the person who was there previously. The savings in the medical and dental insurance coverage is \$49,000 plus the employees accepted the fact that they will have an increase in their contribution towards their insurance, which adds up to \$21,000. That brings the total net savings to \$95,000. The Board of Selectmen agreed that a 2% increase would be appropriate at this time. If the employees are paying more for their insurance, it would be coming out of their pockets. He felt strongly that the employees should get this raise because after the increase in contribution to their healthcare, they would only be taking home a 1% raise.

Chair Wheeler said that the increases in the department head's requests were nil. Chair Kaplan said that there were a few but that they were minimal. Chair Wheeler said that the next Budget Meeting would be held on February 13<sup>th</sup>. He said that the Budget Committee would be ready with questions at that point after having a chance to study the budget. He referenced the first sheet in the packet, which he had worked on with Ms. Johnson and Ms. Hallquist. Chair Wheeler said they would like to use the selectmen's budget column and keep it on the budget sheets to compare it with any changes they propose. Before the budget is presented to the public, there would be only one budget column and the Selectmen's budget would be removed. He preferred to make changes as they go instead of waiting until the final meeting, as they did the previous year. He would like to do the CIP at the end.

The remaining Budget Committee meetings would be held at 7pm the following evenings:

February 13<sup>th</sup>

March 5<sup>th</sup>

March 26<sup>th</sup>

April 2<sup>nd</sup>

April 9<sup>th</sup> would be the public hearing

Ms. Helm said she has heard from townspeople that they would like it if the Budget Committee put their agenda on the Town's website so they can be aware which departments will be discussed at each meeting.

Mr. Homan said he knew at the first meeting the Board of Selectmen set a goal for a 0% increase. He wondered where they came in for the operational budget. Mr. Bianchi said that what they have right now, except for the new Capital Improvement fund for the insurance, they are just about at a 0% increase from last year. For all practical purposes, he considered it almost dead-level even. Mr. Homan didn't see that to be the way and said he would like to sit down with Mr. Bianchi to have him explain. Mr. Bianchi said he would be happy to do so.

Ms. Johnson noted that revenue estimates remain outstanding and she expects to have them available for review at the next meeting. Chair Wheeler thought the Board of Selectmen did a good job keeping the budget at a 0% increase. He felt that the public expected that from them or to do even better without being irrational. Mr. Wilson asked if the 0% was operational only. Mr. Bianchi said they took the operational total and compared it to last year's budget. Capital outlay was much higher this year but that is not money that is being appropriated, it is in the capital reserve accounts and will be seen as expenditure.

Ms. Bedard commended Ms. Hallquist and Ms. Johnson for working so hard and so well with the Board of Selectmen. She knew they put in many hours and they were new to all of this. Ms. Hallquist thanked Ms. Bedard for the kind words and added that while she and Ms. Johnson are new to this budget process, they are not unfamiliar with budgets and the budgeting process. Ms. Hallquist asked that procedurally, if all members could submit their questions and research requests in advance of the meeting, preferably through Chair Wheeler, that would be a big help. She explained that during the Selectmen's process Mr. Bianchi would give his questions in advance, and it worked very well. If there are questions, the answers

can be shared with the entire Committee. She pointed out that the budget materials contain a copy of the Budget Law. Additionally, if any Committee Members wanted a copy of the Budget Law booklet from LGC to please let her know and a copy will be ordered. She encouraged them to look it over and feel free to come to her with questions about it. She explained that over the years she has talked to hundreds of Budget Committee members throughout the state and has noted sometimes there is an adversarial relationship between such committees and the Boards of Selectmen with whom they interact. She did not feel that this relationship was present in New London and was optimistic about the budget proceedings for 2012/2013.

To recap other events in the town, Mr. Bianchi shared that they have 10 proposals for the Elkin's project, they have the Pleasant Street sidewalk project starting in the spring, and they received the money from the State for a forgiveness loan for the sewer project. The same routine things are going on in the town but mostly they have been working on the budget. He noted that the County Tax went up 3.6% and that the School Tax would possibly be going down anywhere between .5% to 1.9% depending on which articles passed.

Chair Kaplan suggested inviting Dave Kidder to a Board of Selectmen's meeting so he can be asked how the County prepares its budget and how it can go up so much without any notice until it comes due. Others agreed that this would be a good idea.

Ms. Bedard wanted to ask Richard Lee about the single-stream recycling that Colby-Sawyer College is doing. Mr. Lee said that Gobin takes the single-stream material. Before this arrangement, they had a compactor at the maintenance shed just for the college; the hauling was also paid for by the college. The tipping fee was still paid for by the town. Now, the town has to pay for the hauling as well as the tipping fee. Even with this additional trash, they are just about even with where they were last year at this time. Mr. Lee commented that the amount of trash brought to the Transfer Station varies with the health of the economy.

Mr. Hudson said there were two votes (March for the school budget and May for town budget). He wanted to get the word out for the vote in March. He felt it was important to do that. Mr. Homan thought the town email list would be a good place to get the word out. Ms. Helm noted that the Municipal Budget Committee and the School Board budgets were the same this year and thought a couple of ads should be put in the Kearsarge Shopper to alert people that they should vote. She thought putting this information on the town's website would be effective as well.

Ms. Hardy said she has spoken to Doreen at the SAU about holding the election. The school will be responsible for paying the costs of the election. She added that New London is the only town that uses the ballot counting machine. The School District has been responsible for having their ballots printed and the programming of the machine done for that portion. She talked to Doreen about doing paper ballots this time as it is just a few questions and is a smaller ballot. There is not as large attendance, but it would still mean they would have to hand count the ballots at the end of the night. Ms. Hardy said that it costs about \$1,000 to use the ballot counting machine but that using paper ballots would only be the cost of copying. It would be a large savings for the School District and she opined that it may be worth trying for one year in order to realize a cost saving for the school.

**IT WAS MOVED (Doug Homan) AND SECONDED (Bill Green) to adjourn the Budget Committee portion of the meeting. THE MOTION WAS APPROVED UNANIMOUSLY. The joint meeting adjourned at 7:55pm.**