



TOWN OF NEW LONDON, NEW HAMPSHIRE

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Joint Meeting of the New London Budget Committee and Board of Selectmen Meeting Minutes January 23, 2013

BUDGET COMMITTEE MEMBERS PRESENT: John Wilson (Vice Chair), Doug Homan, Bill Green, Joe Cardillo, Ann Bedard, Rob Prohl, Larry Dufault.

MEMBERS ABSENT: Jim Wheeler (Chair), Ben Cushing

SELECTMEN PRESENT: Peter Bianchi, Tina Helm, Janet Kidder

OTHERS PRESENT: Bill Helm, Bruce Hudson & Renate Kannler, Phyllis Piotrow, Casey Biuso, Liz Meller

Kim Hallquist (Town Administrator)

Wendy Johnson (Finance Officer)

Jay Lyon (Fire Chief)

In the absence of Chair Wheeler, Vice Chair John Wilson called the meeting to order at 7:02pm.

The first item on the agenda was to approve the minutes from October 10, 2012.

IT WAS MOVED (Bill Green) AND SECONDED (Larry Dufault) to approve the minutes, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Vice Chair Wilson said their purpose that evening was to receive the Selectmen's budget. He noted that the Committee was not there to go through the budget in any detail, but just to receive it and to hear from the Selectmen. He turned the floor over to Board of Selectmen Chair Peter Bianchi to make his presentation to the Budget Committee.

Mr. Bianchi acknowledged the Department Heads, Ms. Hallquist and Ms. Johnson for their hard work on the budget. He thanked the staff and personnel, on behalf of the Board of Selectmen, for coming up with a fiscally responsible budget. The operating budget has a \$194,000 increase over last year's budget, which is a 3.5% increase. Personnel costs have risen by about \$245,000 since last year. This increase is due to increases in insurance costs, retirement costs, raises (2% increase voted by the Board of Selectmen), and the fact that in FY2014 there is one more pay-period than there is in FY2013.

Mr. Bianchi said that they have a decrease of \$45,000 in various departments. They have budgeted a modest increase in the capital reserves at this time. Some adjustments may have to be made throughout the remaining budgeting process. This may be true for the Pleasant Lake Dam as the Board awaits a response from the State Dam Bureau regarding the Board's plan to add

\$10,000 to the fund for the feasibility study. In addition, there are Conservation Commission projects that may be brought to the Selectmen and Budget Committee for funding in FY2014.

Mr. Bianchi said that this does not take into account any money for the 1941 School project or any other warrant articles (or petition warrant articles) that may arise in the process of preparing for Town Meeting. He noted that the selectmen, Ms. Hallquist and Ms. Johnson were happy to answer any questions the Budget Committee may have.

Mr. Green wondered if the Town would be asked for \$75,000 for the 1941 School building. Mr. Bianchi said that the issue of town funding depends on the negotiations with the School District and the results of these negotiations will be forthcoming within the next few weeks. He anticipated that it would be a warrant article rather than part of the operating budget. Ms. Biuso said they have a lease that has been drafted but they are still working out details and insuring there are safety nets in place so the Town can walk away if they want/need to.

Mr. Prohl wondered what the cost of the extra pay period would be. Ms. Johnson said between \$85,000 and \$90,000.

Mr. Homan asked if the tax rate represented was for 2014. The tax rate estimates are for the 2013 tax rate. Mr. Bianchi said that Ms. Johnson put in the tax rate without adding any surplus. The \$4.55 is what they have in front of them. They do not apply surplus towards the tax rate until later in the year. He said these were preliminary numbers as it is hard to make estimates. The rate last year, before surplus, was \$4.30. They used \$400,000 of surplus to bring the net tax rate to \$3.93.

Mr. Prohl wondered if they do a surplus estimate throughout the year to get an idea of what they would have available to them. Ms. Johnson said that they did not but that it was a good idea. She reminded the committee that they are currently only about half-way through the fiscal year. She said they ended up with \$968,000 in surplus last year.

Mr. Dufault wondered when they would reassess for the grand list. Ms. Hallquist noted that assessments are as of April 1st, so the pickups are done after that, typically through the summer. She pointed out that the grand list increased less than 1% last year and she did not expect it to increase very much, if at all, for 2013. It was noted that the tax rate is set in October.

Review Upcoming Schedule

The next meeting will be held on February 6, 2013 at 7pm. They will discuss the Police Department, Dispatch and Fire Department budgets. They will also discuss the memo on the 3-year projection of expenses as prepared by Jim Wheeler and John Wilson. This memo was presented to the Selectmen. It was noted that the Selectmen had some questions and comments on the material presented.

Vice Chair Wilson noted that historically they have a presentation from the Selectmen's representative about what things have come up that were new.

Mr. Bianchi said that the one ongoing project they will need to keep in mind is the sewer upgrade in Sunapee. They will be borrowing up to \$5.2 million dollars but will not start paying on the loan until one year after the project is completed. Mr. Bianchi added that they are also considering the 1941 School building. The Selectman want to create a new part-time position to handle the maintenance of the Town buildings. They have requested about \$21,000 to fund the position.

Mr. Green asked what the Elkins project and the Pleasant Lake Dam repairs would cost. Mr. Bianchi said the sidewalk and intersection capital reserve will pay the Town's portion of 20% of the project. They have a grant for the remainder. Right now they are working with the engineers to get a contract in place that will meet the approval of the State DOT. Mr. Bianchi said that with regard to the Pleasant Lake Dam, the Town is sending a letter to the Dam Bureau to let them know what they are doing to repair the dam. They are currently saving money for a feasibility study (\$25,000 is in the fund currently). If they are fine with the Town depositing \$10,000 more into the fund this year, that is what they will do. After the study, they will get a cost estimate for what needs to be done.

Mr. Homan wondered how close they came to their goal on this budget. Mr. Bianchi said they did not set a goal. In years past they tried to keep the Department Heads within a percentage increase, but this year the Selectmen told the Department Heads to keep their budgets as lean as possible. Most of the increases in the budget are things they do not have control over (FICA, and retirement).

Ms. Bedard wondered where the salary for the new position was put. Ms. Hallquist noted it was in the part-time labor for highway line item in the amount of \$21,000. She noted that her memo lists the exact code reference for where the funds were added.¹

With no other business, Vice Chair Wilson called for a motion to adjourn.

**IT WAS MOVED (Doug Homan) AND SECONDED (Bill Green) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 7:30pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London

¹ See budget code 01-4311-600-120