



TOWN OF NEW LONDON, NEW HAMPSHIRE

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Budget Committee Meeting Meeting Minutes March 26, 2012

BUDGET COMMITTEE MEMBERS PRESENT: Jim Wheeler (Chair), John Wilson, Ben Cushing, Doug Homan, Kathy Bianchi, Bill Green, Joe Cardillo, Ann Bedard, Connie Appel, Mark Kaplan (Board of Selectmen's Representative)

BUDGET MEMBERS ABSENT:

Doug Homan

OTHERS PRESENT:

Kimberly Hallquist, Town Administrator

Wendy Johnson, Finance Officer

Peter Bianchi and Tina Helm, Board of Selectmen members

Jay Lyon, Fire Chief

Dave Seastrand, Police Chief

Richard Lee, Public Works Director

Sandra Licks, Library Director

Chad Denning, Recreation Director

Steve Ensign, Board of Fire Wards

Peter Stanley, Planning & Zoning Administrator

Terry LeBlanc, New London Hospital

Nancy Friese, COA

New London Residents: Renate Kannler, Bruce Hudson, Celeste Cook, Phyllis Piotrow, Bob Meck, Bill Helm, Erle Blanchard, Jen Tockman, Doug MacMichael, Thelma Kaplan, Brad Cook, Teri Bingham, Ron Koron, Gen Izutsu, Janet Kidder, Geoffe Lizotte, Bill Bowers, Peter Fenton, Shelby Blunt

Chair Wheeler called the meeting to order at 7:00pm.

Review of Minutes from March 5, 2012

Page 2, 3rd line: "get" instead of "gets."

Page 4, 3rd line: "the fire wards" feel the pace and timing of the purchase...

Page 4 bottom: "alerts" not "alters"

Page 2, 2nd paragraph: 20%, not 60%

IT WAS MOVED (John Wilson) AND SECONDED (Bill Green) to approve the minutes for March 5, 2012, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Budget Developments since March 5, 2012

Ms. Johnson explained changes to the Selectmen's Budget since the last meeting, as detailed on the change sheet she prepared for the Committee. She noted that she had not previously included the \$30,000 for the insurance fund to cover potential increases in insurance spanning the two fiscal periods.

Additionally, the Board of Selectmen added \$25,000 to the Pleasant Lake Dam feasibility study. The Police Department will also be reducing their force by one police officer, which is a reduction of about \$70,000. Since January 9th the changes are shown as an overall increase of \$20,711.00.

Chair Wheeler suggested that the \$25,000 and \$30,000 increases could be funded out of the balance of the General Fund as he felt there was enough in there to do so responsibly. This would prevent raising tax revenue to pay for these increases. According to LGC, the guideline for how much to keep in the General Fund at year's end is 7-17% of the operating budget, but not the gross operating budget. He calculated that they should carry a reserve of somewhere between \$450,000 - \$500,000 and they are over this amount at the moment. These expenditures would need to be presented as articles at Town Meeting.

Mr. Kaplan said that the Board of Selectmen meets in October to decide how much of the surplus to use to reduce the tax rate. If they take money from this account to cover the increases as Chair Wheeler suggested, there won't be sufficient funds to lower the tax rate. Mr. Kaplan didn't think it was a good idea and didn't think they ought to do it. Chair Wheeler didn't think that it was a problem and it was only \$55,000. He felt that using the money the taxpayers have already given was a good way of paying for these increases.

Ms. Bianchi asked what they generally applied from surplus to taxes. Chair Kaplan said that they applied \$265,000 last year. They had planned on applying \$250,000 but another \$15,000 was voted in at Town Meeting. Mr. Kaplan said in the past they have used \$300,000 towards taxes; they take as much as they can from surplus to off-set the taxes. He felt that using surplus for things that are general expenses will risk their ability to use surplus to lower the tax rate.

Discussion and Deliberation of Non-Profit Funding Requests

Upper Valley Lake Sunapee Regional Planning Commission Dues

Chair Wheeler asked about a credit they receive from paying their dues. Mr. Stanley said that their dues entitle them to \$834 in services per year. They also pay nothing for informational consulting, data of things going on in the area, and are given limited help with GIS. Any significant project would be paid out of their budget and not from the dues. Chair Wheeler asked if they accounted for this on page five of their budget sheets. Mr. Stanley said that the \$5,000 represented there was for planning services not covered by a particular applicant and/or requested by the Planning Board. Chair Wheeler wondered if they could reduce the \$5,000 allotted for services by \$800 since they are getting this much as a credit from the UVLSRPC. Mr. Stanley said that the Planning Board hadn't discussed this possibility and this was the number that was given to him by the Chairman of the Planning Board. He wasn't sure that this reduction would make that big of a difference but didn't want to speak for Chair, Tom Cottrill. When asked, Mr. Stanley explained that the UVLSRPC charges \$48/hour and typically private firms charge \$100/hour or more. He also noted that there are several planners helping the Town, depending on the project that is being requested.

IT WAS MOVED (John Wilson) AND SECONDED (Kathy Bianchi) to reduce the Planning Services line item on page 5 to \$4,200. THE MOTION WAS APPROVED UNANIMOUSLY.

Non-Profit Funding

Chapin Senior Center – COA

Chair Wheeler said that they generally contribute \$20,000 to this non-profit. There were no arguments in opposition; this request will be funded again.

CASA – Court Appointed Special Advocates

Chair Wheeler said they are asking for \$500 and noted that the Town had not provided funding for this before. There were no arguments in favor of funding this non-profit.

United Way – Community Action Program(CAP)

Mr. Wilson said they have funded this in the past. Ms. Cook, Welfare Officer, said CAP is the organization that operates the fuel assistance program, and also helps applicants apply for other assistance. She pointed out that CAP is asking for the same small amount of money (\$3,809) for the last 20+ years. She said they also help her with the welfare cases she deals with. It was noted that they also do the Meals on Wheels for the town. There were no objections to funding this non-profit again.

Protective Lake Associations: Lake Sunapee, Messer Pond; Pleasant Lake & Little Sunapee
The four lake associations would be splitting \$4,619.25 to use for milfoil prevention and other testing being done of the lake water. There were no objections to funding this line item.

Mr. Cardillo asked what happened during the hours that there are no lake hosts monitoring the launches. Ms. Bingham, Messer Pond Lake Protective Association, said that they have volunteers there during the busiest times and so are able to monitor the majority of boats going into the water. Because Messer Pond is so popular with fishermen, they try to have someone there early in the morning and later in the evening to monitor. She expressed her thanks to the Town for the installation of a permanent boat launch sign.

New London Hospital

Chair Wheeler said he has discovered that the Town has a need for a top-shelf ambulance service. It is a big priority and thought it should be funded and done right. It is more than they have been paying but that is the way it is right now. He thought they should anticipate this amount to be requested in the future as well.

Mr. Green asked Terry LeBlanc how the non-pays were this year compared with the past. Ms. LeBlanc said that it is about the same. They have seen a decrease in runs and are not sure why. Mr. Green asked what percentage of the people don't go to the hospital after a 911 call. Ms. LeBlanc said about 30%. He wondered if a significant part of the 30% is because people get taken care of on-site with the excellent medical staff they provide. Ms. LeBlanc said that this is not usually the case. Calls out (about three per day for the three towns) are usually for a fall assist and the people don't need to go to the hospital; they just need help getting back into bed. She indicated that they have reduced expenses at the hospital in part by not giving raises to employees once again.

Chair Wheeler asked about whether or not the hospital had to purchase a new ambulance. Ms. LeBlanc said they found a used ambulance with very low miles for \$40,000. She said that Tuesday they would meet to look at the draft of the agreement for the participating towns for the ambulance service.

It was agreed to fund New London Hospital for the requested amount of \$121,393.00.

Chamber of Commerce

Jen Tockman said that the Chamber has increased its membership since she began working for the Chamber in January. Mr. Cardillo said each week in the paper he sees new businesses joining and was happy to see this. Ms. Tockman said it is potentially due to additional press coverage regarding the change in the Executive Director of the Chamber, and that may have made people aware and encouraged them to join. There has been some recruiting as well.

There were no objections to funding this non-profit for \$9,600.00.

Lake Sunapee Region VNA and Hospice (VNA)

There were no objections to funding this non-profit in the amount of \$12,299.00.

American Red Cross

It was noted that this was not funded in the past as the organization is well-funded through private donations. They would not fund it again this year.

Discussion & Deliberation of FY 2013 Library Operating Budget

Ms. Licks began by noting that their request was just over a 2% decrease.

Mr. Wilson asked why the repair and maintenance line item was increased. Ms. Licks said that they find more things that need fixing while in the midst of fixing other things. These repairs have to be put off until the next budget season to be able to pay for them. She indicated that they have a new HVAC company who is great to work with. The boilers worked well this winter.

Ms. Appel asked why the cleaning fees have been reduced. Ms. Licks said they have a contract through the Town and are negotiating a 10% decrease in cost by reducing the regularity of the service. She said the current company has been great and hoped there wouldn't be a big change.

Mr. Green asked about the most recent renovation and when it was completed. Ms. Licks said that it was mostly completed in the fall but that there were some small things still left to be completed in the spring. He asked if there was a big change in the utilities due to the upgrades. Ms. Licks said it is too early to tell and would like another year to be able to determine the savings. They did tighten the whole building envelope and she was optimistic that savings would be realized.

Mr. Green asked what the big electric consumer was in the building. Ms. Licks said it was air conditioning. In the summer it is about \$1,000/month. Shelby Blunt said they have increased the areas that are air conditioned, which causes the electric bill to increase. Mr. Green asked if the air conditioning was for comfort or for the library materials. Ms. Licks said it was for both; they want to keep the air dry to prohibit mold and mildew, but they also want the library's patrons to be comfortable.

Chair Wheeler asked about Tracy Funds. Ms. Blunt said these funds are comprised of gifts that were given many years ago and are managed by the Trustees of the Trust Funds. Chair Wheeler asked about the Gift Fund. Ms. Blunt said that these are gifts given separately and are separate from the Tracy Funds. The Gift Fund is comprised of many separate gifts and is invested. For more than half of the funds, only the interest can be used. For the remainder of the funds, they are earmarked for special projects and can't be used for anything else.

Chair Wheeler asked about personnel, salaries and benefits. Ms. Licks said they are hoping to give a 2% raise following the Board of Selectmen's recommendation for the rest of the Town's employees. She explained that the last full-time hire, who joined the staff in August, makes considerably less than the person that was replaced. This resulted in some savings. Some of their newer part-time employees are being paid less than those before them as well. They will see a significant savings because of the health benefit change as well.

Mr. Cardillo asked about the new technology and books on devices such as a "Kindle." Ms. Licks said they have been offering a free downloadable program for the past two years to enable virtual check-outs. They see more people coming into the library since doing this, but it is usually to get help with the new devices. Ms. Licks said that even though there are these new devices, their statistics are higher than they were last year for book, movie and audio check-outs. Overall, it seems that more interest in reading is being generated by these devices.

Discuss & Deliberate FY2013 Department of Public Works

Cemetery

Mr. Lee said that after being asked, he put some bids out for mowing and the cheapest bid, to mow everything in Town (18 locations) was \$47,000. He asked for spring clean up which was \$14,500 and clearing leaves in the fall was \$11,900. Another company came in for \$81,000 for the mowing alone. He didn't think they were spending \$47,000 for the mowing in Town. They have one full-time person to mow and trim the two cemeteries and it is about \$18,000.

Highway Administration – Chair Wheeler asked about the worker's comp insurance and wondered if it went down because they have one less employee in the Public Works Department. Ms. Johnson explained that she has applied workers' comp insurance to each department based on the actual costs for each department, so this has resulted in increases for some departments and decreases in others. She noted that an audit would be done at the end of the year, and the Town will receive a refund if the estimated labor costs are not as high as expected.

Highway & Streets

Radio Repair – Mr. Lee said some of that \$2,000 should have been taken out of the new truck expense. Ms. Johnson agreed and said that this was done but it wasn't on the sheet everyone had. The amount should just be \$800.

Uniform Cleaning Service – Mr. Lee said that this will go down by \$400 as they have cut out a full-time position.

Paving Services – Chair Wheeler said he didn't understand Mr. Lee's comment about the need to grind and pave eight miles and that this year they can do just one mile. Mr. Lee said that \$170,000 will pay for just one mile of road to be grinded and paved.

It was noted that Parkside Road was in rough condition and the sidewalk is very narrow. There was discussion of the possibility of taking the sidewalk out to widen the road. Mr. Denning noted that there was a trail going in under the power lines near Parkside that would give people another place to walk. He thought that this trail may increase pedestrian traffic in this area rather than decreasing it.

Mr. Lee said that they have increased the shimming line item as it is a maintenance tool to help the roads go longer without needing to be grinded and paved. He has also added more for crack sealing to keep the roads in better shape. Mr. Green asked if the Public Works Department does the crack sealing, themselves. Mr. Lee said they contract this task out to one individual who charges by the pallet of material used to fill the cracks. He said that they have done this job themselves before, but the cost to buy and maintain the equipment necessary to do the work is not cost-effective for the Town. It is much less expensive and time-consuming if he hires the work out.

Ms. Bedard asked how many roads were closed this year due to mud season. Mr. Lee said that no roads have been closed. They have used about 200 tons of stone this year to firm up muddy roads and make them passable. Newbury has used about 700 tons of stone and Sutton has used 1,800 tons. Mr. Lee said that the roads in New London are not being closed and that it is a reflection of year-round maintenance. Ms. Bedard observed that Mr. Lee and his crew deserved the Town's appreciation for their efforts.

Sidewalk Maintenance Account – Chair Wheeler asked Ms. Johnson if they could carry forward the narrative on line items not spent. The money for the Main Street sidewalk was to come out of what they call the Highway Maintenance Fund, not the operating budget. He suggested they put the appropriation on as a warrant article requesting use of the Highway Funds as it was intended.

Ms. Bianchi asked about the Pleasant Street sidewalk and where they were at with it. Mr. Lee said the curb is out to bid for the project currently. They had to do more engineering work than they thought because of changing federal regulations. The project will be done in the month of July.

Mr. Green asked what maintenance was required on the sidewalks. Mr. Lee said they have to be maintained year-round when using Federal funds. They have to clear them of snow within a reasonable amount of time.

IT WAS MOVED (Joe Cardillo) AND SECONDED (Ben Cushing) to move \$9,000 from line item 01-4312-600-385 for the sidewalk in front of the Baptist Church. THE MOTION WAS APPROVED UNANIMOUSLY.

Grader Repairs – Mr. Lee said that the repair was about \$7,000 and included work done to the mower board and lift pistons. The hydraulic pump is going to be repaired as well, which is a \$4,000 job, and they will replace the tandems in the tires. They hope to be able to extend the life of the grader by doing this. The motor is fine and he was told it was in good shape for the age of the machinery. Chair Wheeler said there was \$56,000 in that line item and wondered what else would be spent from it. Mr. Lee said that the line item was also used for parts and wages for companies to come work on the trucks. It includes maintenance and repairs to things such as chainsaws, excavators, etc.

Sand/Salt – Mr. Lee said he has a shed full of sand and 2 ½ loads of salt, which would be mixed together. He didn't see that there would be a big decrease in what he has used this year. Snow levels were down with only 71" of snow falling. They usually get about 100". Still, they had a lot of ice and freezing-rain which requires just as much, if not more sand and salt usage on the roads.

Line Painting – Ms. Bedard asked Mr. Lee when they are scheduled to paint lines on the roads. Mr. Lee said it would be done by June if he can, depending if they get approved for funding and availability of companies to come do the job.

Street Lighting

Chair Wheeler asked if they would see some revenue from the pole tax. Ms. Hallquist said that Norm Bernaiche (Tri-Town Assessor) is aware of this and is researching it, and it appears that they will be adding property value (and tax revenue) from the change in the law.

Transfer Station

Mr. Lee said they are hauling within one load of what they did last year. They are being charged a fuel surcharge but they are only going twice/week instead of three. The new trailer they purchased is paying with itself as it can hold more and enables them to make fewer trips per week.

Erle Blanchard noted that the transfer station employees do a great job helping with those who need it. Mr. Lee said he gets a lot of positive comments about this. He noted that recycling is up but that savings is also being realized because companies are using less plastic in their containers, decreasing the weight the Town eventually pays to dispose. Their recycling takes a lot out of what they are sending to the landfill. Ms. Appel wondered if they could do some promoting in Town for recycling awareness. Mr. Lee said they could. He explained that Colby-Sawyer College is using single-stream recycling so their recycling is going out of Town. He felt there were more recyclable materials that could be retrieved.

Mr. Lee commented that the college will be using some of the Town's crushed glass product under a new roadway and the floor of their new expansion. He thought perhaps it will help people to increase their

glass recycling. The test conducted by engineers showed a 95% compaction rate for the glass, which makes it ideal for use instead of gravel.

Sewer

Mr. Green asked about the \$50,000 equipment repairs and maintenance line item (02-4326-655-430). Mr. Lee said they have been averaging sealing, cleaning and injecting 7-8 man-holes per year. They are about \$10,000 each.

Chair Wheeler asked if the budget item for this line will decrease when the man-holes are all fixed. Mr. Lee said it is a constant maintenance issue. Over the past four years they have cut their flows to Sunapee by 10%. There are a couple hundred man-holes in town and they have fixed about 30 of them. Mr. Kaplan said they saved \$40,000 the last time he checked, to not have to pay for water they are no longer letting into the sewer. Mr. Lee noted that there is some old clay tile pipe that may need to be replaced with plastic in the future.

Selectmen's Update

Mr. Kaplan said that besides the two increases that had been discussed already (\$30,000 for the insurance coverage and \$25,000 for the Pleasant Lake Dam), there were no other updates.

The next meeting was scheduled for the following Monday evening at 7pm.

Other Business

Mr. Hudson wondered about computer maintenance for the various departments and if they could consolidate this for the entire town. Mr. Cardillo said this was worth exploring. Mr. Denning thought it would be a viable option to hire an IT person for the entire town; he was certain they would be busy every day with all the different departments. It was noted that this was something to consider and it would be looked at closely to see if there was a savings.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Connie Appel) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 9:01pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London