



TOWN OF
NEW LONDON, NEW HAMPSHIRE

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APPROVED
Budget Committee Meeting
Meeting Minutes
December 4, 2013

BUDGET COMMITTEE MEMBERS PRESENT: John Wilson, Ben Cushing, Doug Homan, Larry Dufault, Joe Cardillo, Pat Blanchard, Bill Green, Phyllis Piotrow, Rob Prohl, Janet Kidder (Board of Selectmen Representative)

STAFF PRESENT:

Kim Hallquist, Town Administrator
Wendy Johnson, Finance Officer

OTHERS PRESENT:

Tina Helm, Selectman Chair
Peter Bianchi, Selectman
Jason Lyon, Fire Chief
Scott Blewitt, Recreation Director
Bruce Hudson & Renate Kanler, New London Residents
Donna Larrow, Police Department
Ed Andersen, Police Chief
Heather Wood, Dispatch
Casey Biuso, New London Community Center
Jim Wheeler, New London Resident
Sandra Licks, Library Director
Richard Lee, Public Works Director
Bruce Parsons, Library Trustee
Kristina Regan, Library Trustee

Chair Wilson called the meeting to order at 7:01pm.

Review of Minutes

IT WAS MOVED (Joe Cardillo) AND SECONDED (Phyllis Piotrow) to approve the minutes from October 10, 2013, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

Nomination of a Vice Chair

IT WAS MOVED (Doug Homan) AND SECONDED (Bill Green) to nominate Joe Cardillo as vice-chair of the Budget Committee. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Wilson asked the Selectmen's Representative, Selectman Kidder, if there was a Selectmen's report. Ms. Kidder said there was not and noted that the Selectmen would be providing their budget to the Budget Committee on February 12 as previously scheduled. It was asked what the Selectmen had decided with regards to the surrounding towns' funding into the dispatch program. Ms. Kidder said they planned to use the same formula as has been used the last several years. The Town plans to review the whole dispatch system and analyze other possibilities for dispatch service for New London.

Chair Wilson said the CIP funding will remain flat with a few exceptions. The CIP Committee decided it was time to move forward with the GIS mapping. They have \$30,000 in the GIS account currently and the committee decided to put \$22,500 in for each of the next two years to total \$75,000 to do the project. Mr. Bernaiche found that the \$75,000 quote for the work is still viable even though it was given a few years ago. The project was not funded last year but the year prior it was funded at \$10,000. Mr. Homan explained that last year at budget-time, Mr. Bernaiche was not working for the Town and thus there was no opportunity to hear a good explanation of the project. Now that Mr. Bernaiche is back as Chief Assessor, the CIP Committee has had the opportunity to hear more about the project and is in favor of it.

Chair Wilson said in the Public Works Department, they have removed a \$25,000 contribution from the equipment fund, due to the elimination of one truck and the scheduling out of a pickup truck, a back hoe, and a dump truck. The CIP Committee is recommending putting that \$25,000 into the Gravel Roads Program instead of equipment.

Chair Wilson said they plan to recommend \$10,000 be placed into the sewer lagoon project to keep it moving forward. The sidewalk fund is going to be funded, as planned, at \$30,000 for the next few years.

Chair Wilson noted that there is a Fire Department rehabilitation fund they have been contributing to each year. They will put \$18,500 in again this year, as they did last year, but after this contribution these repairs will become a line item in the regular Fire Department budget.

Mr. Homan noted that the CIP document is advisory and they tried to keep it revenue-neutral. He thought they were up \$17,500 in expenses. Chair Wilson said these changes will be included in the CIP Report, which should be voted on by the Planning Board at their next meeting.

Public Works Department CIP Subcommittee Meeting Report

Mr. Cushing said he and Chair Wilson met with Mr. Lee at the Public Works Department. There were not a lot of unfunded projects coming down the road. Mr. Cushing asked Mr. Lee to speak about the six culverts on Brookside which may be a big expense later on. Mr. Lee said there are three 6' culverts on each side of the road which are aging in the bottoms. They could slip-line them, replace them completely, or put a bridge in. DES is trying to get away from replacing or slip-lining culverts. They prefer bridges be put in so that wetlands don't have to be disturbed as often. He estimated it would cost about \$180,000 to put a bridge in. Culvert replacement would cost about \$100,000. He has tried to get the repairs done under the Bridge Replacement Fund through the State but this hasn't been successful; bridge money is in short supply. Mr. Lee added that there were six other bridges in town that would need repair in the future. He thought money should be put away in the Bridge Repair Fund to pay for these impending costs.

It was noted that \$5,000/year is being put into Bridge Maintenance Fund. Mr. Lee suggested the culverts on Brookside would need attention around years 2018 or 2020.

Ms. Piotrow asked how much the trash trailer at the Transfer Station was going to cost. Mr. Lee said it would be \$90,000. The steel trailer needs about \$7,000 of work just to start fixing it, and so the new trailer should come on board this year instead of its originally scheduled replacement in 2018.

Mr. Lee said the Transfer Station budget would go up a bit to pay for grinding brush. With regards to staffing, they are down one person in the Highway Department. He would be interviewing people for this position on Monday.

Library/Recreation/Planning & Zoning CIP Subcommittee Meeting Report

Pat Blanchard and Bill Green met with staff with regards to the above-mentioned departments. Ms. Blanchard said Ms. St. John didn't see any changes coming along for her budget. The budget is for just her salary and paperwork. Mr. Green said there are some storage needs for filing and they would like to have more space for both electronic and paper files.

With regards to Recreation, Ms. Blanchard said they are ahead in their budget and Mr. Blewitt didn't foresee any changes to it. One concern she had was that the revolving fund was created and presented as something the Recreation Department could use to collect and spend funds to simplify budgeting. The catch is that there are swimming lessons that are paid for which funds are deposited into the revolving account, but the cost of the lessons (lifeguards) is not paid for through this account. The same goes for the day camp. She thought these revenues and expenses should be more transparent and a discussion would need to be made on how enough funding could go in and out to cover the swimming lessons, with the goal of breaking even. Mr. Green recalled the balance of the revolving fund now was lower than it was a year ago. Ms. Johnson noted that the fund stays around \$35,000 in the off-season.

Mr. Blewitt said he could understand the concern but said it comes down to the community's value they put on the options they offer. The cost for 12 swimming lessons is \$25 for a resident and even more for a non-resident. The price could increase but if there is one program he'd like to keep, he would want it to be swimming lessons. He appreciates the user-based programs (funded) and recognizes the balance between that and town funded activities. They had a lot more kids participating this year and are utilizing two beaches. Mr. Blewitt said they adhere to American Red Cross standards for lifeguards/teachers per student.

Ms. Blanchard wondered how much they wanted to give, as a town, to the surrounding communities. She didn't object to out of town kids coming to the Town's beaches to learn to swim but they should break even with those students. Chair Wilson noted this was something that needed to be looked into when they get into the budgeting process. Mr. Blewitt agreed to assemble numbers to show how the swim lesson program could break even.

Mr. Cardillo wondered about the kids that are not residents but who are visiting family in the area. They should not be penalized in cost. He also asked about the price sharing with the Outing Club for the Rec-Track software. Ms. Johnson said the Outing Club purchased the software and the Town pays the maintenance fees for it.

Ms. Blanchard said everything looked great and opined that courses are being offered that people want to take. If the community center is approved, it was suggested that there would be costs coming into the budget this fiscal year that would become part of the Recreation budget. They would know more after the community center discussion.

Ms. Blanchard said the library was ahead of their budget. The CIP funding is going from \$30,000 to \$35,000. She said there is some question on out-of-towners taking advantage of their facilities. 19% of the active users of the library are not residents. 185 of 437 individuals pay a \$60 fee; the rest do not. If they account for 19% of the activity it has to have some impact on staff time and materials. This should be considered. She didn't feel she was in position to judge the fact that \$20,000 is put into maintenance each year and the CIP fund would be \$35,000. She felt this was a large sum to be contributing every year but wasn't sure if it was or was not necessary.

Ms. Piotrow noted that 197 of these users that are from out of the town are children. She asked if Colby-Sawyer College's library was available to be used by the residents of New London. It was noted that anyone from New London can use the college's library for just \$1.

Administration/Buildings CIP Subcommittee Meeting Report

Larry Dufault and Joe Cardillo met with Ms. Hallquist and Ms. Johnson, who didn't expect any significant increases in their budgets. They did talk about updating the Town's website and possibly their server (which would be funded in a capital reserve). Legal was unknown at this time and it all depends on how many lawsuits they encounter each year. There were a few increases in licensing fees and health insurance costs will go up as they do each year. There was no indication that there was a need to increase the number of employees. With regards to the town buildings, they now have a Facilities Manager who will be checking the buildings in town and will certainly find some needs for maintenance dollars, which will decrease their costs later on for large repairs.

The Town Clerk indicated with the new employee format of one full-time and one part-time employee (25 hours/week) she anticipated a savings of \$30,000. This was the largest savings in that area. Ms. Hardy said there may be a slight increase in cost for elections because of the 2015 elections. Mr. Dufault asked Ms. Hardy about the software that was voted down last year, which she found a way to purchase with unused funds in her budget. She said she didn't know yet if it will save the Town money, as it hasn't been installed yet.

Ms. Piotrow said with regards to website design, there is currently no mention of voting or elections on the town's site. She thought it was important to list this information. This year there would be three elections and she felt it should be on the main page. When they re-do the website they should take this into consideration.

Fire/Police/Dispatch/Safety Sub-Committee Meeting Report

Rob Prohl, Phyllis Piotrow and Doug Homan were on this committee. They had a good meeting with Chief Lyon and were impressed with his professionalism. He would be asking for \$10,000 for breathing apparatus so the firefighters would all have the same equipment to use. He said there would be a modest increase and asked Chief Lyon what that would consist of. Chief Lyon said they were comparing on-call pay to other towns. The Budget Committee approved an increase last year but firefighters haven't received an increase since 2006. The Board of Fire Wards oversees the pay scales for the department. Currently they pay \$9.50/hour for a trainee or someone on probationary status. After six months at this rate and after additional trainings have been attended, the pay rises to \$10.50/hour. They are having issues with recruitment and retention. In 2012 they had only eight people who were on in 2002. Historically on-call pay has been slightly over-budget so Chief Lyon suggested increasing the fund across the board and adjusting for the EMT aspect. The Fire Department is contacted when an ambulance is not available. Those with EMT/paramedics certifications attend a 200 hour program and to compensate them for this expertise, \$1.25/hr is added to the base pay.

Mr. Prohl said they discussed tracking calls in town, including those for the college and the hospital. There are some non-essential duties the Chief does, such as unlocking doors and school education programs. Mr. Homan said there is a huge increase in the college's population and it has been an eye-opener for him. Resources have been offered that he was unaware of. They need to be informed of this so they know where the demands are coming from. The college has doubled in size and requires a lot more services.

Chief Andersen and Donna Larrow spoke with the subcommittee in Police with regards to staffing. A position was taken out and at Town Meeting it was put back in by the voters. Chief Andersen said he would like to see the department stay at current full-staffing (8 full-time positions) even though they have been down a person over the past year. He said the officers feel stressed now trying to fill in to cover all shifts. He said there is a second part-time detective and it was a question as to whether or not the position

was needed. The Chief would like to see them being more proactive in the community, giving academic and firearm classes, and going on more foot-patrols. It was noted that the new video equipment at the Police Department was installed and everything is done with the cruisers as well.

Mr. Prohl said Chief Andersen has revised about 50% of the policies in his department that needed to be changed. The Town Administrator is not part of the review and adoption process of these policies and he wondered if she should be. They discussed the sharing of equipment and budgeting issues with regards to dispatch. They thought these costs should be separated so it is clear what the true costs for each department are. They talked about the firing range and the cost of ammo, which is up. Mr. Prohl offered that the towns in the dispatch agreement can use the Town's firing range and booking facilities. Mr. Homan said they do not have a contractual obligation for this with the other towns. Mr. Prohl continued and said the incident log was discussed as well as how it was kept. The amount of time spent at the college, with the increase in off-campus housing, is being monitored. It was asked that a record be kept of this kind of thing in the log.

Ms. Piotrow said there was a review of the police department by the Deputy Sherriff from Merrimac County which included recommendations. The conclusion was that the Town was extremely well served by the police department that is there. He emphasized that they were short-staffed and recommended adding a police officer and a dispatcher. The Deputy Sherriff also pointed out that some of the policies and procedures hadn't been updated in as many as 15 years and that is why Chief Andersen has been working on this so much lately. She commented it is difficult for the Chief to do this updating when he has so many other duties to take care of.

Chair Wilson asked Chief Andersen if they were looking at any major expenses in the budget. Chief Andersen said they were in need of firearm replacement as their current firearms are 12-years old and some are malfunctioning due to age and normal wear and tear. They also need to replace their photocopier and are looking into leasing vs. purchasing. He would have these numbers for the Selectmen when he comes to them with his budget. Chief Andersen said the cost for the whole department to be outfitted with new firearms would be between \$6,500 and \$7,000. It would depend on the trade-in value of the firearms they currently have. Chief Andersen added that new employee expenses had been \$3,000 but it is difficult to outfit a new officer for that amount. He'd like to see the amount go up to \$5,000.

Mr. Prohl said the Selectmen would be looking at the pros and cons of outsourcing dispatch. They currently run a regional dispatch system with a number of other towns on an at-will basis. The formula used currently will not be changed at this time. If they were to maintain the system, some capital costs will be necessary, including the installation of three repeaters. There was the issue of out-sourcing, which appears to be more cost effective but it wasn't clear if it would be in the Town's best interest. The serviced towns likely do not want to pay any more for the service they are getting and this is something that needs to be considered.

Mr. Prohl said they talked about a CIP fund for these equipment replacement/repair costs but thought it would be premature to do so at this point; they may decide not to invest in new repeaters and other things if they choose to outsource.

Ms. Piotrow said she wasn't clear how long before they would need any major upgrades in equipment. Ms. Wood said she couldn't predict this but offered that the equipment they have is outdated and they would have to get repair parts from eBay if something broke. They hope there are no major issues with the dispatching equipment in the next year.

Mr. Prohl said if the other towns don't want to pay more, how much would it cost for New London to dispatch for only the town. Mr. Homan said the Board of Selectmen decided to keep the same formula for the next year because the other towns were threatening to leave if the prices went up. Ms. Hallquist said she was working on this and gathering information. Ms. Piotrow said if they went with another service the Town would need to purchase different software that could be costly and would incur maintenance costs every year. Chair Wilson said there are so many variables to consider and until they gather enough information, the discussions they have about dispatch will be hypothetical. Mr. Prohl said that safety needed to be considered when the pros and cons are listed for outsourcing or keeping the dispatch service in New London. Mr. Homan said if the funding formula stays static, NL will have to pay \$180,000/year to keep the service in town.

Mr. Cardillo said he was unaware of the fact that Goshen was gone from the service. Sunapee (the next largest user) could leave and New London would be stuck with the difference to pay. He did not feel the current model was acceptable and that contracts needed to be held with the towns they are servicing.

Ms. Piotrow wondered if the decision to outsource could be made by the Board of Selectmen or the Budget Committee. Mr. Homan said the Board of Selectmen holds the authority to sign contracts and they could do so with another servicer. Whether they have the courage to do this without going to Town Meeting is another matter. The Budget Committee could recommend line iteming the amount of \$75,000 for the service if they find this is the amount Lakes Region would cost.

Ms. Piotrow wondered if there would be a public meeting to discuss this issue. Mr. Prohl wondered if the other towns don't sign a contract, could the Town go forward with a regional service. Mr. Cardillo said if the other towns appropriate money to be serviced by New London, New London may not be able to back out on servicing them. Mr. Homan commented that since the other towns are on a calendar year and not on a fiscal year, New London would only be obligated to service those towns for six months.

Chair Wilson understood the Selectmen were taking on the task to research the dispatch issue and he thought they should be allowed to do this before they talk any further on it.

CPI for the Region

It was determined that the CPI last year through October was .7%.

Determination of the Budget Committee Guideline

Chair Wilson said the guideline they were talking about would be in regards to the entire operating budget. Mr. Homan wanted to see the budgets flat with the understanding that they remove the 53rd week from last year's budget since it was a one-time expense (\$90,638). Mr. Cardillo wondered if they should set the benchmark at last year's dollar budget or the budget less the \$90,638.

Ms. Piotrow wondered if it was premature to set an arbitrary number at this point in the budgeting process. They might want to do this at some point but not yet. Chair Wilson said this would be for guidance purposes and nothing they decide is set in stone. They voted unanimously at the last meeting to set a number.

Mr. Prohl wondered what the increase in the budget was last year over the previous year, taking out the 53rd week. Mr. Green felt a guideline was good and helpful in the planning process for the departments. He liked the idea of keeping it flat but said it shouldn't exceed .7 in keeping with the CPI. Mr. Homan felt this was a mindset they needed to have and in the past the mindset had been to keep adding things to the budget. He was in favor of shifting funds in a budget as opposed to just adding expenditures and asking

the taxpayers to make up for it. They have the largest budget, per capita, of any other town in New Hampshire when the college kids are taken into consideration.

Mr. Dufault thought the reports that night had indicated the budgets could stay within the .7%. Ms. Blanchard commented that health insurance would be going up more than .7% and that would need to be considered.

Ms. Piotrow thought it would be good to find out what every department really needed before setting a number. Mr. Dufault thought that was what they had done that night. Mr. Homan said if they wait any longer, they find themselves talking about “paperclips and pencils” and if they give a number to stay within, this is less likely to happen. Ms. Piotrow thought it was premature to set a number now when there are so many unknowns.

Ms. Kidder said the Selectmen had not talked about the budget yet.

Mr. Dufault said they shouldn't wait until the Board of Selectmen provides their budget before setting a number. It is the Budget Committee's budget.

IT WAS MOVED (Larry Dufault) AND SECONDED (Doug Homan) that the budget be no higher than .7% after the \$90,000 budgeted last year for the 53rd work-week anomaly is taken out.

Mr. Prohl wanted to see the maximum be increased to somewhere between 1.25% and 1.5% as he thought .7% was too low. Mr. Cardillo agreed with Mr. Prohl. He was thinking the 1.5% range which would essentially be flat and wouldn't be a significant impact on the taxpayers over last year. He wasn't sure what they'd see in terms of warrant articles and noted there was still the issue of the 1941 Building.

Mr. Green wondered how much tonnage from the transfer station had been realized this year compared with last year. Mr. Lee said it was a little less than last year. Mr. Green thought this was a good indicator of how the economy was doing. Mr. Green wondered how many new driveway permits had been applied for lately. Mr. Lee said about 7-8 and said there was some movement going on in this regard.

Chair Wilson called for a vote on the motion, an amendment or retraction. Mr. Prohl wanted to amend the motion.

IT WAS MOVED (Rob Prohl) AND SECONDED (Doug Homan) that the budget be no higher than 1.5% after the \$90,000 budgeted last year for the 53rd work-week anomaly is taken out.

Chair Wilson called for a vote on the amendment for a 1.5% increase.

THE MOTION PASSED. Ms. Kidder abstained.

Chair Wilson called for a vote on the 1.5% increase.

THE MOTION PASSED by a vote of 5 in favor and 4 against. Ms. Kidder abstained.

Upcoming Budget Meetings

Chair Wilson thought perhaps the January 22nd meeting was not necessary as they had covered the subcommittee meetings already. He thought the next meeting should be February 5th when they could discuss the non-profits and the hospital. After that, the remaining meetings would be February 12, 19 and 26.

Mr. Dufault said he thought of some ways to make the best use of their time. One way is, instead of arguing the “pencil and eraser” process and the select board doing the same thing, perhaps they could

have a joint meeting of the boards rather than doing it individually. He thought it was a lengthy process. Another way is to come up with a budget instead of a number to stay within/under. The Budget Committee could tell them that this was the budget for the year and tell department heads and the town manager that they need to stay within it. They could do it all together or for each individual department. Chair Wilson said that until four years ago the Budget Committee started the budget process and the previous Town Administrator said it should be done in the sequence they are now doing it. Ms. Blanchard didn't think they should cut out the meeting in January because they would need some information about the 1941 Building that was sure to be available by then. Chair Wilson thought they would keep the January meeting and if they don't have items to fill the meeting, he would cancel it.

Casey Buiso, 1941 Building Committee said they will have some numbers and will have presented the information to the Selectmen on December 16th.

Ms. Helm responded generally to Mr. Dufault that as chair of the Board of Selectmen, starting in January they will be meeting with department heads and getting an idea of their needs. They have not set a cap on what they can put in the budgets and she invited all of them to come be a part of that which may cut down on the duplicity on having the same reports given to the Budget Committee later on. Mr. Homan said it is the Budget Committee's budget and they have a fiduciary responsibility to be thorough through their own meeting agendas. Ms. Hallquist said the statute stays the Selectmen have to provide the budget to the Budget Committee. Ms. Helm said the Board of Selectmen also feels a fiduciary responsibility.

Chair Wilson said they were coming at the budget from different points of view, which was a good thing. He personally wanted to reserve the Budget Committee's uniqueness in handling the budget from their perspective and not share the meetings.

Mr. Hudson said 40-50% of the tax rate is the Town's. The Municipal Budget Committee agreed on just under \$39 million dollars, which is 50-60% of the total budget the New London taxpayers pay. This was an increase of about a million dollars. He said part of the budget included the Resource Officer. A deliberative session would be held on January 11th and the more people who show up and voice their opinion, the better. He suggested putting this information on the Town's website to let people know.

**IT WAS MOVED (Larry Dufault) AND SECONDED (Ben Cushing) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 8:51pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London