



TOWN OF NEW LONDON, NEW HAMPSHIRE

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DRAFT
Budget Committee
PUBLIC HEARING
Meeting Minutes
April 9, 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)

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
Linda Hardy, Town Clerk/Tax Collector
Joan Pankhurst, Deputy Town Clerk/Tax Collector
Linda Jackman, Administrator's Assistant
Amy Rankins, Land Use Coordinator
Chad Denning, Recreation Director
Steve Ensign, Board of Fire Wards
John Ryan, Board of Fire Wards
Peter Stanley, Planning & Zoning Administrator
Bob Brown, Conservation Commission Chair
Kris McAllister, Assistant Tri-Town Assessor
Merry Armentrout, the Intertown Record
New London Residents: Bruce Hudson, Sean Cushing, Phyllis Piotrow, Bill Helm, Doug MacMichael, Thelma Kaplan, Laura James, Gerald Coogan, Terri Bingham, Katherine Fischer, Anne Cushman, Renate Kannler, Bruce Hudson, Rob Daley, Joseph Kubit, Jennifer Tockman, Janet Kidder, Pete Lauridson, Marie Rossachag, Barbara Troxell

Chair Wheeler called the meeting to order at 7:00pm. He said that the budget they would be deliberating on was for July 1, 2012 through June 30, 2013. He welcomed questions and comments from the public.

Ms. Hallquist was given the floor to give a summary of the budget being presented that evening. She thanked all of the Department Heads for working hard to prepare their budgets and to work with the budget committee to get them all the information they needed, and for being flexible, and for attending the necessary meetings. She noted that the material in the information packet was put together by Finance Officer, Wendy Johnson, and she thanked her for doing such a great job, compiling so much information in a way that will be helpful to everyone.

Ms. Hallquist explained that the budget process goes on all year long. The Department Heads look at their budgets constantly, as do the Selectmen. The Budget Committee is also aware of balances throughout the

year and will take the time to meet with various departments to better understand what is happening in each. She noted that the Department Heads were asked by the Selectmen to come in at a zero percent increase, not counting employee salaries and benefits. Once the budget was compiled to the Board of Selectmen's satisfaction, it was handed over to the Budget Committee in January for further deliberation.

It was explained by Ms. Hallquist that the Town once again changed the health insurance offerings for employees. There is a higher deductible now and the employees are required to pay more towards their insurance. The single plan responsibility went from 2% to 4%, a two-person and family plan went from 5% to 10%. Due to these changes, the Town expects to realize approximately \$40,000 in savings. Ms. Hallquist added that there were two employment positions that had been eliminated from the budget; one from the Highway Department and one from the Police Department. There were decreases in retirement costs resulting from changes in the employer contributions as required by the State Retirement System: while police and fire rates increased, other employee rates decreased, resulting in a net decrease expense to the Town. The Board of Selectmen has requested a 2% raise for full-time employees. The ambulance cost went up a little over \$27,000 which represents a 30% increase. Ms. Hallquist then summarized by department:

General Government: this makes up 17% of the operating budget and is 4.8% lower this year due to two employees in that department having lower salaries than their predecessors did as well as lower insurance costs. Additionally, the town's buildings will be cleaned less frequently to save money. There were some increases for fuel costs and electricity.

Public Safety: this makes up 20% of the budget. They will see a 6.5% decrease from the Police Department due to the elimination of one position and the benefits that go with it. The Fire Department saw a slight increase mainly due to retirement increases and worker's comp insurance.

Highways and Streets: this makes up 18.8% of the budget and is 3% lower due to one staffing position that has been eliminated and the benefits that go along with it.

Sanitation: this makes up 5.6% of the budget and will increase 1.7% due to an increase in the cost to haul the trash as a result of increased fuel costs.

Recreation: this makes up 2.6% of the budget and will have a 0% increase this year.

Tracy Memorial Library: this makes up 7.3% of the budget and will have a 3% decrease due to health insurance reductions.

Wastewater Department: these fees are paid by sewer users and will be decreased by 23%. The cost for the \$5.2 million dollar bond will not be included in this budget but will come after the project is completed.

Transfers to Capital Reserves: they will see a 16.7% increase due in part to the addition of two items:

1. A new expendable trust fund of \$30,000 to save for insurance increases the Town can't anticipate. Because the town is on a fiscal year of July 1st to June 30th, there will be 6 months of insurance coverage that the town will not have exact rates on when the budget is formulated. This trust fund will have money available in the event that insurance rates increase during the final 6 months of the fiscal year. The money in this fund can only be used for this purpose, and if not needed, will remain in the trust fund.

2. \$25,000 is being recommended to go into the Pleasant Lake Dam Capital Reserve Fund. This is being done in an effort to save money to be able to address a letter of deficiency the State served the Town regarding the dam.

Capital Reserves Outlay: the Town will be spending a little over \$1 million dollars, the vast majority of which has already been saved over many years. They will purchase a new Ladder Truck, two highway department vehicles, portable stop lights, and will include funds for the Bucklin Beach bathhouse in the amount of \$36,160. Additionally there will be a warrant article for the Transfer Station Equipment Maintenance Fund that will be non-lapsing and in the amount of \$5,000. Previously, this fund was in place but lapsed after five years.

Revenues: Ms. Hallquist observed that these are essentially the same as last year when you account for two grants received last year and a change in the way the library revenues are reported. She noted that these changes also don't show up on the expense side. The Highway Block Grant is down about \$25,000 but otherwise the State funds to the Town were not decimated yet. The Town expects to increase sale of town property revenues due to the sale of the ladder truck, should a new one be purchased. In October the Board of Selectmen will sit down again with Linda Hardy (Town Clerk/Tax Collector) to take another look at motor vehicle fees, which is the single biggest non-property tax source of revenue to the Town. Ms. Hardy does a great job of estimating what she will take in for motor vehicle revenues. Ms. Hallquist said that they try to be as conservative as possible when estimate revenues to be fair and open with the voters.

Chair Wheeler opened the meeting up to the public for comment.

Mr. Homan said that looking at the revenue it seemed to be \$200,000 under budget from last year's revenues. Ms. Hallquist agreed that it was under, but when you take into account that it is made up of \$46,000 from the library's revenues that were counted as revenues last year, and about \$150,000 in two grants, that accounts for much of the difference. Since those two revenues also had corresponding expenses, they did not act as revenues in a sense of decreasing the tax rate in the same way that motor vehicle revenues do. She explained that that is how she comes to the conclusion of being essentially the same, although admitted it could be said they are slightly under, but not hugely under. Ms. Johnson said that looking at the FEMA grants and the Safe Roads to Schools grant that were in last year's budget but not in this year's, it will show the difference in the two revenues. Mr. Homan thought the only way to make up for that revenue this year was through taxation. Chair Wheeler said that the sale of the fire truck will be counted as revenue, and there were other considerations that could be made.

Rob Daley asked if the decrease in a full-time police officer position was a Board of Selectmen's recommendation because they felt the department was over-staffed. He wondered if it was a strategic initiative.

Mr. Kaplan said that Chief Seastrand came to the Board of Selectmen and advised them that one person was leaving to take another job with the State. He asked the Board of Selectmen if it would be OK to not replace the officer. The Board of Selectmen was assured that the service would stay the same but the hours would be decreased.

Chief Seastrand corrected Mr. Kaplan by stating that he came to the Board of Selectmen with a request to replace the officer and it was the Board of Selectmen's decision not to. Mr. Homan said he thought there was some uncertainty in the past about filling a position in the Police Department, should one become vacant. Chief Seastrand said that he had told Mr. Homan previously that he would look into not filling a vacant position, but it was not his recommendation to do so. Chair Wheeler said that the Board of

Selectmen had deliberated on the issue and unanimously voted to try not filling the position for a year. If after a year it is determined that the position is needed, they would hire a new officer.

There were no further comments from the public and so the public portion of the meeting was closed.

Review of Minutes from March 26 and April 2, 2012

March 26, 2012

IT WAS MOVED (Connie Appel) AND SECONDED (Bill Green) to approve the minutes of March 26, 2012, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

April 2, 2012

Mr. Homan noted that both he and Mr. Green did not vote “no” on page 6, but abstained. On page 10, both gentlemen abstained as well.

IT WAS MOVED (Doug Homan) AND SECONDED (John Wilson) to approve the minutes of April 2, 2012, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Wheeler said that the current meeting was the conclusion of the budget process. They wanted to deliberate on two new items that evening, which included the Bucklin Beach bathhouse upgrade and the \$5,000 Transfer Station increase.

Bucklin Beach

The Committee reviewed an estimate as presented by Chad Denning as previously requested by the Budget Committee. The total for the work to be done was \$36,160. Mr. Homan asked if it was possible to use some of the money to hire someone to prepare plans for the work to be done. Ms. Hallquist noted that that would be up to the Selectmen but such an expense would be an appropriate use of the funds if appropriated.

IT WAS MOVED (John Wilson) AND SECONDED (Bill Green) to accept the amount of \$36,160 to be appropriated for the Bucklin Beach bathhouse upgrade. THE MOTION WAS APPROVED UNANIMOUSLY.

Transfer Station Equipment Maintenance – Capital Outlay

IT WAS MOVED (John Wilson) AND SECONDED (Bill Green) to accept the amount of \$5,000 be appropriated for the Transfer Station Equipment Maintenance Fund.

Mr. Wilson said that this is a carry-over from previous years. The fund started in 2006 and has expired. Mr. Lee has indicated that he still needs to repair the equipment in questions so has asked that the fund be reestablished. The fund will be a non-lapsing fund and will expire either when the repairs are made on June 30, 2016, whichever is sooner.

THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Wheeler said they would now vote on the proposed budget totaling \$7,752,580.00.

Ms. Johnson read through each line item as provided on the “Expense Detail FY2013” sheet provided to the Committee and to the public. There were no questions or amendments with the amounts given.

IT WAS MOVED (Doug Homan) AND SECONDED (Ann Bedard) to approve the budget for FY2013 as presented. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Ann Bedard) AND SECONDED (Doug Homan) to approve and accept the revenues as presented in the “Revenue Detail FY2013.” THE MOTION WAS APPROVED UNANIMOUSLY.

The Board signed the MS-7 form which is the official Budget that will be posted with the Warrant to be considered by voters at the May Town Meeting.

Other Business

Chair Wheeler announced that Mark Kaplan, who has been a Selectman for countless years and part of the budget committee for many as well, will be retiring this year and on behalf of the Budget Committee he wanted to thank Mr. Kaplan for the thousands of hours of work he has given for the town.

Chair Wheeler also wanted to thank Connie Appel who would be completing seven years with the Budget Committee. He said that Ms. Appel has been their voice of reason and thanked her for her common sense, compassion, and for her service to the town.

All in attendance applauded the efforts of Mark Kaplan and Connie Appel.

Chair Wheeler thanked Kim Hallquist and Wendy Johnson for their hard work and the time they have spent getting them through the budget season. They have both risen to a level of competency and speed that was required in a short amount of time and he thanked them both for guiding them through the process.

Chair Wheeler thanked Kristy Heath, Recording Secretary, for keeping such good records during the budget season.

Ms. Bianchi thought they should also thank Mrs. Thelma Kaplan for working along-side her husband, Mark all these years, and for all the sacrifices she has had to make in their private lives so he could serve the town. All in attendance applauded in agreement and appreciation.

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

IT WAS MOVED (Connie Appel) AND SECONDED (Doug Homan) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 7:48pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London