



TOWN OF
NEW LONDON, NEW HAMPSHIRE

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**Budget Committee Meeting
Meeting Minutes of January 4, 2017**

BUDGET COMMITTEE MEMBERS PRESENT: Rob Prohl (Chair), Phyllis Piotrow (Vice-Chair), Joe Cardillo, Colin Campbell, Bruce Hudson, Lyndsay Lund, Tyler Beck, Chris Lorio, Suzanne Jesseman, Nancy Rollins (Board of Selectmen's Representative)

BUDGET COMMITTEE MEMBERS ABSENT:

STAFF PRESENT:

Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

OTHERS PRESENT:

Richard Lee, Public Works Director
Ed Andersen, Police Chief
Donna Larrow, Police Chief Administrative Assistant
Scott Blewitt, Recreation Department
Maggie Ford, New London Conservation Commission
Mark Vernon, New London Conservation Commission
Bob Brown, New London Conservation Commission Chair
Susan Showalter, New London Garden Club
Peter Bianchi, New London Resident
John Doyle, Messer Pond Protective Association
Sandra Licks, Tracy Library Director
John Wilson, Pleasant Lake Protective Association
Jay Lyon, Police Chief
John Garvey, Library Trustee
Jean Connolly, Director of Center for the Arts
Laura Lorio, Recreation Commission
Casey Biuso, Recreation Commission
Jack Sheehan, Little Lake Sunapee Protective Association
Erin Reed, Community Action Program (CAP) Director
Janet Kidder, New London Selectman
Frank Anzalone, New London Resident
Charlene Baxter, CASA Representative and New London Resident
Matt Hubbard, Library Trustee
Kathy Pfann, New London Garden Club

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

Approval of Minutes

December 21, 2016

IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve the minutes of December 21, 2016, as amended. THE MOTION WAS APPROVED UNANIMOUSLY. Nancy Rollins abstained, as she was not present at the meeting on December 21, 2016.

Selectman's Report – Nancy Rollins

Selectman Rollins had nothing to report because the Selectmen had not met since the last Budget Meeting.

Review of FY2018 Budgets

Non-Profits

CASA (Court Appointed Special Advocates)

Charlene Baxter, a New London Resident, said she is one of 10 CASA advocates and volunteers in New London and 128 in New Hampshire. She distributed some information to the Budget Committee and noted that CASA held a training in New London in 2016. CASA asks every town in New Hampshire for \$500 to support their work. They work with abused and neglected children throughout the state. They are not paid but are advocates for children, babies and teens where there has been a finding of abuse or neglect by a family member. They represent what is in the child's best interest at court hearings and work with every district and family court in New Hampshire. In 2016, CASA served 119 children in Merrimack County. It costs \$1,432/year to support each advocate (travel/training expenses).

Ms. Piotrow feels that CASA is a good organization and New London has supported them in the past. She wonders if the Town can somehow identify the criteria for support of these kinds of organizations. It is Ms. Piotrow's thought that the Selectmen should come up with an organized statement of criteria so they will be able to easier determine whether an organization should receive funding come budget-time.

Ms. Lund said the agencies are always evolving and there is greater need from one year to the next. She doesn't want to disparage this benefit for the children. Ms. Baxter said CASA only can take on about 87% of the cases available. The funding from towns is important.

Ms. Jesseman feels that CASA is a wonderful organization and noted that as a teacher for 40 years, she had firsthand experience working with children, some of which were neglected and abused. She supports the funding of this organization.

Mr. Campbell wonders how much \$500 would do for the New London community. Ms. Baxter said there are 10 advocates in New London, which requires about \$14,000 in funding. \$500 is an indicator of support; it isn't a lot of money but they can share with other grantors how much of the towns are supporting them, it helps them to get more funding.

Chair Prohl suggests that they should vote on the non-profit requests that evening. It was agreed that they would vote on these at the end of the non-profit discussion.

New London Hospital – Ambulance Service

Don Griffin, CFO New London Hospital was present with Tim Monahan, Director of the EMS. They were there to request the continuation of the agreement with New London and six surrounding towns to provide EMS service. Mr. Griffin said the community needs an ambulance service and the hospital can provide this. The service, however, doesn't get enough business to be able to cover their costs to provide the service. About 10 years ago, seven area towns agreed to provide a stipend based on a formula that would cover a part of the ambulance service. Prices varied over the years. When the Town of Newport backed out of their agreement a couple of years ago, the area towns' cost went up. Due to the good management and foresight and administration of the Town, and the fact that the formula is based upon the number of runs in the towns, New London's percentage dropped dramatically in 2016. The total is a little over 20% less than it was last year. \$165,264 is New London's share.

Lake Sunapee Regional Visiting Nurse Association (LSRVNA) – Jim Calhoun, Director

Mr. Calhoun said the LSRVNA provides a considerable amount of visits; 10,000 in 2015. 1,300 of those were provided without any kind of reimbursement. 300 were for those on Medicaid, which only covers 60% of the cost. They are asking for a per capita appropriation as they have in the past.

Council on Aging (COA)

There was no one at the meeting to represent COA. Ms. Hallquist said that the Executive Director of the organization offered to answer any questions they may have.

Visiting Nurse & Hospice of VT & NH

Ms. Hallquist said Terry Highland from this organization was not present at the meeting due to an emergency at home. Selectman Rollins said the Selectmen denied this request, which was originally \$600. It is now \$300. They decided not to fund the request because they didn't want to approve any new requests this year.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve all the health agency requests as presented, except for the request from the Visiting Nurse & Hospice of VT & NH for \$300. THE MOTION WAS APPROVED UNANIMOUSLY.
Chair Prohl abstained because he is a CASA volunteer.**

Community Action Program (CAP) – Erin Reed, Director

Ms. Reed explained that last year they requested an increase to make a part-time employee a full-time employee. This is working out well. She is keeping the request the same this year. \$46,000 was spent in 2016 which is less than the amount in 2015, largely due to the warmer winter in 2015/16.

IT WAS MOVED (Chris Lorio) AND SECONDED (Phyllis Piotrow) to approve the request by Erin Reed of the Community Action Program. THE MOTION WAS APPROVED UNANIMOUSLY.

Welfare Administration

Ms. Hallquist noted that this is the amount that is paid to the Welfare Officer, Celeste Cook, for administering the welfare programs in New London.

IT WS MOVED (Lyndsay Lund) AND SECONDED (Suzanne Jesseman) to approve the budget for Welfare Administration, as presented. THE MOTION WAS APPROVED UNANIMOUSLY.

Other Conservation (Milfoil)

Messer Pond Protection Association (MPPA)

John Doyle said the funds requested are to fund the lake host programs at their site. Their request is 10% less than last year because they have reorganized how they man their launch in the busy times, etc. The lake host is the first line of defense against invasive species, and is there to educate people about protecting and maintaining the resources and wildlife.

Little Sunapee Protective Association (LSPA)

Jack Sheehan said they do the same thing as what Mr. Doyle from Messer Pond said. They man the launch from Memorial Day to Mid-September. They inspected 1,350 watercraft in 2016. Their request is the same as they have requested in prior years. Mr. Lorio wonders what percentage of their operating budget is funded by private citizens, those living on the lakes, etc. Mr. Sheehan said their operating budget is funded by: \$5,500 from New London, \$1,800 from the NH Lakes Association, and they staff the

launch with volunteer lake hosts; they get \$4,000 worth of volunteer time by members of the association. The Town's funds are a significant portion of their budget.

Pleasant Lake Protective Association (PLPA)

John Wilson said his association is asking for the same amount as they have in the last few years. They inspect an average of 1,850 watercraft each year. Their lake host program costs about \$15,000/year. They staff it the same way as the LLSPA does. They realize \$3,000 worth of volunteer hours, about \$4,500 of cash from Pleasant Lake residents, and \$1,800 from NH Lakes Association. Dr. Wilson said most of the lakes that have lake hosts also have weed watchers. DES says that having these two programs helps prohibit milfoil with the highest success. The time the PLPA spends weed watching isn't considered by the Budget Committee but it should be.

Lake Sunapee Protective Association (LSPA)

Ms. Hallquist said June Fichter, Executive Director of the LSPA, was not able to attend but asked that the Committee be informed that she would be happy to come in at another meeting to answer any questions that came up.

New London Garden Club – Kathy Pfann and Sue Showalter

Ms. Pfann said the Garden Club is asking for \$1,000 to help with special projects they do for civic beauty. There are 15 pocket gardens throughout the town and they have 65 volunteers who take care of them. The requested funding is used for special projects that cannot be paid for by their budget.

Mr. Lorio asked how they came to the amount of \$1,000. Ms. Pfann said in the past they have called on the assistance of professional landscape companies. They cannot rely upon the Public Works Department because they are too busy, but they have helped them in the past. They know that it costs about \$1,000 to get several projects completed with this professional assistance. Mr. Lorio asked what they wouldn't be able to do if they didn't get the \$1,000. Ms. Showalter said without the funds, they wouldn't be able to do the pruning that is needed, and other special projects that focus on maintaining and beautifying public areas of the town.

Ms. Piotrow asked if the Garden Club works to combat invasive species. Ms. Pfann said that they do work to eradicate invasive species if they are getting into their pocket gardens.

IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve the \$25,200 for the "Other Conservation" line, which includes the lake associations and the Garden Club. THE MOTION WAS APPROVED UNANIMOUSLY.

Selectman Rollins asked that the Welfare Vendor Payment line still needs be approved.

IT WAS MOVED (Chris Lorio) AND SECONDED (Suzanne Jesseman) to approve the Welfare Vendor Payment line, as presented. THE MOTION WAS APPROVED UNANIMOUSLY.

Upper Valley Lake Sunapee Regional Planning Commission (UVLSRPC)

Ms. Piotrow asked if this was a government agency. Selectman Rollins said it is an organization that receives government funds but the employees are not government employees. Ms. Hallquist said the UVLSRPC can help with planning, including traffic studies and anything with regional impact. Selectman Rollins said they helped to facilitate the discussion on the Mount Sunapee expansion. Bill Helm and Liz Meller are the Town's current representatives to the council.

Mr. Cardillo asked if this organization could help with the discussion they plan to have about the transfer station. Selectman Rollins said this could be taken to the RPC. The RPC is instrumental in acquiring grants that are available from the government. Unfortunately, New London doesn't qualify for a lot of grants due to their high economic level.

Mr. Lee said the RPC also helped with the Crockett's Corner plan, Newport Road round-about and Elkins project and have helped the Town get grants for sidewalks in the past.

Mr. Cardillo asked what the membership fee is based on as the fee has stayed mostly flat. Selectman Rollins said the RPC uses a formula that is based on population of the member municipalities.

Chamber of Commerce

Rich Marshall, incoming president of the Chamber of Commerce, said they are looking for funding for a part-time person at the booth for some of the high points of the season (Hospital Days, summer). This is the same amount they were looking for last year. Ms. Piotrow remains skeptical because her impression is that "commerce" is not non-profit. This would be using tax payer money to support business purposes. She understands it is a good thing to have in town, but is skeptical of their place in the non-profit category. Mr. Marshall assured Ms. Piotrow that they are not connected with the US Chamber of Commerce. They are different organizations and disconnected in terms of fundraising. They have no influence with anything the national group has to say about anything. The idea that they are a non-profit but are oriented towards profit is this: their members are mostly new London businesses or organizations. There are individual members and those who are non-profits. The huge plus for New London is that they are doing their best to raise the tax base and generate revenue for businesses locally and around the lake. He is a volunteer; he puts in 20 hours a week and others on the board do the same thing. The last several years there has been a push from businesses to connect and work together to share ideas. Their mission is to strengthen the tourism in the area. The Chamber funds a booth at an expo in Boston to allow any member business or organization to go and use the space to promote our area. It is a local business promotion organization and they could actually ask for three or four times more than they do so the booth can be open longer hours.

Ms. Piotrow wonders if the businesses could be charged more so the Town could be charged less. Mr. Marshall said they have a committee looking into this. He agrees that setting criteria for approving requests such as his would be beneficial. The \$12,500 is put into the operating budget but is earmarked for the part-time employee to man the booth.

Mr. Cardillo said the Chamber of Commerce serves as ambassadors for the town. Towns do generally pay for the staffing of their info booths. He plans to be a member of the Chamber and says it is hard to go back to the businesses and ask for more money. The same businesses continue to support things in town but it is hard to dig deeper into the pockets of the businesses. He would be in favor of keeping the funding where it is.

Ms. Lorio said the Chamber does a fantastic job and puts on wonderful events.

Center for the Arts

Ms. Connolly, Executive Director of the Center for the Arts, said prior to Center for the Arts, there wasn't an organization to provide the arts in the region. They have a budget of about \$50,000 and they are asking for the amount they are short for 2018. They expect to raise funds through fundraising, sponsor donations, fees in the amount of \$50,000. There is about \$10,000 in volunteer time that is not factored into their budget. The residents appreciate what they do. They have monthly free community programs. Not everyone in the area is looking for athletic activities but rather wants to see a play, go to an art show, etc.

The surrounding towns have similar programs that are supported by the Towns and they are appreciative of anything they can provide to the Center for the Arts. Ms. Connolly noted that \$2,500 is 50% of their shortfall in the budget and New London residents account for more than half of their activities. 900 people in New London receive their calendar and she feels this is an indication that there is a need to fill in the area.

Ms. Connolly said their youth arts committee is just starting. Adding this program will increase their activities and their budget. They are trying to create programs for youth after school.

Ms. Connolly said it is amazing that the Town has partnered with them on the use of Whipple Hall, otherwise they would have nowhere to go. She agreed that the Town is already contributing an in-kind donation. Ms. Connolly said that in return the Center for the Arts is providing a service that wasn't there before. This area had nothing to provide in terms of the arts.

Ms. Connolly said last year their budget was \$42,000. They have been growing by 25% every year. The more people that know about them, the more they are providing and growing.

Mr. Lorio asked what they would get/give up for \$2,500. Ms. Connolly said if they didn't get the funding, the new children's programs would likely be cut. Adults can generally pay for their tickets for activities; children cannot.

Ms. Lund asked Ms. Connolly what they consider to be their "center" for the arts. Ms. Connolly said it is Whipple Hall, and she appreciates this so much.

Mr. Campbell asked if the Center for the Arts collaborates with the college. Ms. Connolly said they do; the college allows them to use the theatre and in the past have allowed them to use meeting space and a storage closet.

Mr. Beck said things like the Recreation Department, the beaches and the Center for the Arts helps convert tourists into residents which is what he feels is important to the community.

Mr. Hudson asked what percentage is raised from fundraising. Ms. Connolly said \$50,000 is what they raise through membership donations, businesses that donate, philanthropists and fees. Over 50% of their users are New London residents.

Mr. Cardillo said it is always difficult to determine who gets what for funding. He understands the value of the arts for the children after being married to an artist/art teacher. However, it is hard to quantify the value of this request; it may or may not be impacting their Recreation Department. What groups should the Town give to? He understands the Selectmen did not endorse this request.

Selectman Rollins feels there are certain entities, and doesn't devalue art, that are in a much better position to solicit fundraising and do development than some of their other obligations. As a town they have an obligation to maintain the beaches, etc. In the Center for the Arts budget for 2018, administrative salaries are \$15,000 going up from \$12,000 in 2017. Any organization needs to look at how they cover their expenses by increasing memberships, etc. She thinks they are engaging a number of children from a broader area. There are people in New London who would be happy to donate to scholarships for children to be able to be included.

Mr. Lorio said he would be in favor of giving money to the Center of the Arts. All the groups that came through the door could raise more money themselves. He feels that what they are asking for is not a lot.

Mr. Cardillo asked what other municipalities they have put requests in with and what have they given. Ms. Connolly said New London is the first budget meeting she has been to and has applications out to eight surrounding towns; the amounts being asked for are based on the participation of those in the towns in the current programming. She isn't sure what the reception will be from the other towns.

Mr. Cardillo realizes it is just pennies, but doesn't want this to set a precedent. They haven't established criteria and next year they will be faced with the same questions by more individuals. He thinks the Center for the Arts should get more private funding. Ms. Connolly said \$50,000 is already coming from individuals and volunteer hours.

Mr. Bianchi agrees that they need criteria to determine who gets funding. New London Outing Club provides a lot of services and don't ask for a penny. If the Center for the Arts is already using the van and Whipple Hall, the Town is already making a substantial contribution. The Town doesn't let just anyone use the hall or the van for no charge. He believes the Center for the Arts should be funded more privately and the Town shouldn't give the \$2,500 requested.

Ms. Lund asked Mr. Blewitt to confirm that the Recreation Department partners with the Center for the Arts. Mr. Blewitt said this is correct. The Town gets a percentage of the fees charged by the Center for the Arts. Mr. Bianchi said the sign on Whipple Hall makes it appear that Center for the Arts is a New London organization. The Town has to heat the building which is an expense; they are not slighting the Center of the Arts. Ms. Lund said if they take the \$2,500 from Center for the Arts, would they need to add this amount to the Recreation Department so the programs can still happen?

IT WAS MOVED (Chris Lorio) AND SECONDED (Colin Campbell) to fund Center for the Arts for \$2,500. THE MOTION FAILED WITH A TIE VOTE.

Opposed: Rob Prohl, Bruce Hudson, Nancy Rollins, Joe Cardillo, Suzanne Jesseman

IT WAS MOVED (Lyndsay Lund) AND SECONDED (Nancy Rollins) to fund UVLSRPC for \$5,914 and the Lake Sunapee Chamber of Commerce for \$12,500. THE MOTION WAS APPROVED UNANIMOUSLY.

New Requests

American Red Cross
Merrimack County Advocacy Center

IT WAS MOVED (Joe Cardillo) AND SECONDED (Bruce Hudson) to not approve \$1,750 for the American Red Cross and the Merrimack County Advocacy Center. THE MOTION WAS APPROVED UNANIMOUSLY.

Health Administration

Ms. Hallquist said this funding is for the Health Officer salary, testing, travel and conferences. Mr. Lorio noticed that this budget has never been spent in full. There has been about \$1,000 extra. Ms. Hallquist said this extra is in there for unknown needs that may arise. Chief Andersen commented that a cruiser and several officers had to be decontaminated from dealing with someone with scabies. This was a cost to the department that the Health Officer helped with.

IT WAS MOVED (Lyndsay Lund) AND SECONDED (Suzanne Jesseman) to approve the budget for the Health Administration, as presented. THE MOTION WAS APPROVED UNANIMOUSLY.

Conservation

Mr. Cardillo wondered if there were any issues finding interns. Mr. Brown said they have lost the use of the Merrimack County Correction Program; for the past two years they have used their help on projects. They have found an experienced trail worker who does the work of two people; this will be his third year with the Town. He does it for the love of doing it because the money isn't necessarily attractive.

Mr. Brown said when they submitted their request in September, 2016, it was \$15,800. He heard it may have been reduced. Chair Prohl indicated that the amount of \$12,500 was the number the Budget Committee received from the Select Board. Mr. Brown said their request has been pretty level in the past and wished to have \$15,800, perhaps more. It was noted that in prior years, the entire amount hasn't been used, which is why they reduced the amount.

Mr. Brown said they have about 14 line items. Of those, 12 are level year to year. There are two associated with land acquisition which can vary depending on whether or not they have a land acquisition. This is the funding needed to support an acquisition, such as legal fees, environmental assessment, forestry wildlife studies, conservation easement fees, and surveys. If they don't have an acquisition, they don't spend the money. This is why they can see that they have used only about 80% of their budget. They have always been frugal with their funds. They need to be prepared for a land acquisition. Some of their desired properties have come close to being acquired but did not. These funds help a seller feel confident that the money is in the bank and the Town can move forward with acquiring a property. They are looking at a shortfall this year, actually.

Mr. Brown said the Conservation Commission has the ability to earn money. They sell maps of the trails in the Town. Currently they are looking to update the maps which the Conservation Commission will need to pay for. When people purchase the maps, however, the monies go into the general fund.

Forestry and wildlife projects can also generate funds. There was a tree harvest at the Phillips Memorial Preserve. The operating expenses were taken from the gross income, which had a net profit of \$7,300 which was put into the general fund. They would like the Town's advice on how to properly request a budget. It looks like they are padding their budget, but they are not. They just need to be prepared for a project.

There is a stewardship project at Low Plain that has been going on for several years and they have a lot of people helping. A timber harvest is about to happen but they need a work road put in before which requires about \$3,200 up front. Mr. Brown noted that the Conservation Commission may not have the necessary funds in its budget to put in the road. Ms. Hallquist suggests Mr. Brown talk with the Selectmen to find funds for this road project as the expenses will occur in the current budget, FY2017, and not the upcoming budget, FY2018, that is the subject of the Budget Committee's work now.

Mr. Cardillo noted the capital improvement fund for land acquisition is for "Land Acquisition and Improvement." Mr. Brown said he would like to avoid the Town Meeting process and have money available in their operating budget should a piece of land come up that the Conservation Commission is interested in investigating to acquire.

Mr. Brown asked for the \$15,663, his original request. If he doesn't get the budget request for FY18, they would have to not go through with their stewardship project and not go through with a conservation easement they were planning on. Ms. Hallquist said if they did a conservation easement in March, it would come from a warrant article and the amount of money needed for the stewardship fee could also be included within the article.

There was discussion on whether or not to take a vote for town departments. Ms. Piotrow was in favor of not waiting. Chair Prohl said he would like to know what is going to happen this year when they ask the Town for money to make up their shortfall. Also, he would like to have in writing the consequences of not funding the \$15,663.

Mr. Brown said if they do not get their request for 2018, they will pass on an acquisition or would back off on trail maintenance. Mr. Cardillo said they postponed the other votes because they had to include payroll. This is not the case here and so a vote could be taken.

IT WAS MOVED (Tyler Beck) AND SECONDED (Chris Lorio) to approve \$12,500 as recommended by the Selectmen. THE MOTION FAILED.

Opposed: Phyllis Piotrow, Lyndsay Lund, Suzanne Jesseman, Joe Cardillo, Bruce Hudson, Colin Campbell

IT WAS MOVED (Lyndsay Lund) AND SECONDED (Bruce Hudson) to approve \$15,663 as presented originally by the Conservation Commission. THE MOTION PASSED.

Opposed: Nancy Rollins, Tyler Beck, Chris Lorio, Rob Prohl

Mr. Cardillo said the Budget Committee will anticipate a warrant article for the conservation easement and stewardship fee from the Conservation Commission to be voted on at Town Meeting; this appropriation will not impact the tax rate because it is coming from a capital reserve.

Archives

IT WAS MOVED (Bruce Hudson) AND SECONDED (Suzanne Jesseman) to approve "Other Cultural History and Archives" for \$1,000. THE MOTION WAS APPROVED UNANIMOUSLY.

Energy Committee

IT WAS MOVED (Lyndsay Lund) AND SECONDED (Suzanne Jesseman) to approve the Energy Committee's budget for \$450.00. THE MOTION WAS APPROVED UNANIMOUSLY.

Recreation

The Recreation budget request is \$181,749. Chair Prohl said the Selectmen had decided to remove some waterfront salaries from the Recreation budget. The Recreation revolving fund could pay for these salaries as fees for associated programs were deposited into the revolving fund.

Mr. Blewitt said he provided a packet of information to the Committee illustrating the programs offered by the Recreation Department.

Mr. Blewitt feels that if anything is to be subsidized by taxpayers, it is swimming because everyone should be able to learn to swim at a very affordable price. New London and the area towns are surrounded by water. He noted that the Town of Wolfeboro has included subsidizing swim lessons into their town budget because they see the value in learning to swim. Mr. Blewitt said they have to abide by the Red Cross ratios of six students to one instructor. Now if they have to try to cover the costs, it could get tricky with numbers. Chair Prohl said that just \$8,500 is coming from the revolving fund. He said it seems like a scare tactic when the revolving fund has \$40,000 in it; he should be able to find the money to pay for the swim instructor salaries.

Mr. Cardillo said waterfront staff wages were cut by the Selectmen. He asked if the salaries are for lifeguards or for those teaching the swim lessons, or are they the same? Mr. Blewitt said some people are swim instructors and life guards but not all lifeguards are instructors.

Mr. Lorio asked if taking the funds from the revolving fund could set a precedent for other things. The less they have in the fund, the less they can offer for programs. Mr. Blewitt said he is concerned about going to the revolving fund for too many things and then he is told to keep the fund low.

Ms. Lund said there is always a question of who is watching the fund and how it is allocated. Mr. Blewitt has to go through the commission and then get permission from Ms. Hallquist before money is spent from the revolving fund. There is an order of operations to overseeing the revolving fund. It isn't Mr. Blewitt's general discretionary budget. When they get into the practice of taking money for salary or payroll out of a revolving fund, they are punishing him for running an effective program that the town is supporting. He cannot grow it any more. They can't offer more arts programs and other things; it is taking away his business of operations. The Recreation Department is an entity within town that is run like a business. If they maintain a healthy revolving fund, they can pay for things like a shed, etc. when those needs arise.

Mr. Bianchi said the fund was not set up to make money or offer more programs. It was to offer a system of cash flow. It allows a program to do things like purchase tickets for a Red Sox game up front and then pay it back to the fund when the tickets are sold. Up front money can be provided and replenished. Ms. Lund said the programs are subsidized. Mr. Lorio said these programs enhance the Recreation Department. Otherwise he would have the same programs year after year. If he wanted to change things or increase programming, he would have to put those costs into the operating fund. Mr. Bianchi said the Revolving Fund wasn't meant to make money. Mr. Lee said he has a recycling revolving fund that maintains a balance of \$5,000 at the end of each fiscal year.

Mr. Cardillo feels that if they have a salaried employee, he has an objection to them being paid from the revolving fund. That is not what it was designed for. He thinks the salaries should be put back into the operating budget to show what they need for payroll. Ms. Hallquist said they have paid the camp counselors from the revolving fund for many years.

Selectman Rollins said there were other components discussed at the selectmen level; they realize that the revolving fund is intended for recreation programs. She suggested that the revolving fund should pay for beach equipment for Elkins/Bucklin, gas for the van, etc. because they support recreation programs. The day camp income is \$19,920 and expenses are \$32,393. This information was misleading because of the way the money comes in and how it is presented.

Ms. Hallquist said payroll is a proper place for revolving funds. The Police revolving fund is just for this purpose. When the officers work a special detail, the Town pays them up front for their time from the revolving fund. When the funds are then paid to the Town from the organization that requested the detail, the funds go back into the revolving fund.

Ms. Lorio said that Chair Prohl has said specifically that he has done research on other recreation departments and understands the need for it. She has asked him if he has a problem with revolving funds and he said he didn't. He now just said that they need to discuss the purpose of a revolving fund. Ms. Lund went on to say that since Mr. Blewitt started working for the Town, the department has had a huge increase in numbers and programs. Everyone wanted to build it up. Mr. Blewitt has great ideas and he has implemented far more than they thought he would. He has been told by various members of the Budget Committee and the Selectmen to keep expenses down and not spend money. He has been conservative about spending money. She thinks for him to continue to keep up with and grow the programs he has, they need to continue with using the revolving fund.

Chair Prohl said he feels this is a philosophical discussion. No one wants to do anything to hurt or decrease the programming. Ms. Lorio said it was agreed upon that the van would be paid for out of the

revolving fund, which it has until the next budget. It has made it sound as if the Recreation Commission tricked the Town into paying for it, but it has been paid from the fund. She added that it is also a Town vehicle.

Ms. Lund wanted to clarify that money in the recreation revolving fund does not lapse and read from page 46 in the Basic Law of Budgeting Guide "*Money from the Revolving Fund does not lapse and can be spent on the order of the Recreation Commission for Recreation purposes....*" She said this to illustrate the point that is not under the directional control of the budget committee as to what the funds are spent on.

Chair Prohl said the Selectmen are just trying to see if money can come from the revolving fund instead of the operating budget, just to help the Town out a little with the tax rate. Ms. Piotrow feels it is strange to ask the Recreation Department to help reduce the Town's taxes. Also, where is it written that the revolving fund can't be used to pay for new activities? Mr. Bianchi said that he was talking about how it was set up at the beginning. When it started it wasn't meant to offer more programs or pad a budget.

Mr. Blewitt said the revolving fund is wonderful; his budget would be \$100,000 more than it is now to provide the services he does. He had minutes from January 5, 2004 to show how and why the fund was set up. He provided these minutes to the Budget Committee and said the Recreation Director at the time, Bob Andrews, had the same struggle. If he didn't have the revolving fund he would be limited to what he could offer for programs.

Ms. Lorio said last year they had a problem with hockey pucks flying off of the ice skating rink. They took hockey away on the rink and there was a public outcry. They then decided to get netting to put around the rink. It has taken many months to find something that would work and look nice. The Recreation Department will need to pay between \$5,000 and \$6,000 to pay for this and they can because they have the money in the revolving fund.

Mr. Cardillo agrees with Ms. Lund. It is a slippery slope moving things into a revolving fund that doesn't belong there (like waterfront salaries). He sees it for programming use; not for every day operating budgets. The van payment has been an issue since last year. To recap, \$15,000 was granted to the New London Recreation Department by the Byrne Foundation to put towards a new van. It was thought that the Town could put money away in capital reserve to eventually purchase a van but the downfall was that they would have to wait. They found that they could get a van almost immediately if they could pay \$8,500 from the revolving fund. Mr. Blewitt said this could happen. Conversation ensued later that it is a Town vehicle and why should the Recreation Department pay for it?

Mr. Cardillo said the van offers an opportunity to charge fees but he doesn't see a revenue line. This was an agreement for five years. He doesn't see an indication that there is a revenue line for the \$8,500. \$59,475 for waterfront staff was presented. Mr. Cardillo said it makes a difficult dynamic to take something from a revolving fund for a five year agreement. He wants to put the \$8,500 back into the revenue side. Ms. Lorio said that just because Mr. Blewitt said they had the money for the van in the revolving account, doesn't mean the commission was in agreement of using those funds to pay for the van.

Ms. Hallquist said the Board of Selectmen took out some money out of the Recreation budget that Mr. Blewitt showed had come in for sailing and swimming lessons, plus some FICA. Since then there have been other adjustments for health insurance. \$7,188 needs to be reversed for waterfront wages, and Ms. Johnson can come up with the FICA and Medicare numbers.

Chair Prohl said he doesn't want the salaries in the revolving fund. However, he thinks the revolving fund should pay for the van. Mr. Cardillo said there will be an expense and income line for \$8,500 for the van. This is the same as last year. The waterfront staff line will increase in the operating budget.

It was noted that the \$7,188 is for salaries. This is what was taken out, including FICA and Medicare.

IT WAS MOVED (Rob Prohl) AND SECONDED (Chris Lorio) to increase the expenditure for the Recreation Department to \$187,698. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Rob Prohl) AND SECONDED (Joe Cardillo) to add in \$8,500 to the Recreation van revenue line item.

Ms. Lund asked for clarification that the vote means that Mr. Blewitt will have to account for \$8,500 in revenue to justify the payment for the van. It was noted that this is the case. The van payment would be coming from the revolving fund.

THE MOTION PASSED. Lyndsay Lund and Chris Lorio were opposed.

Tracy Memorial Library

Sandra Licks, Library Director, was present with Board Chair, John Garvey, and trustee, Matt Hubbard. Ms. Licks noted that changes in the budget include changes to wages and benefits. Chair Prohl asked what the library did with these numbers and how did they conduct their study.

Mr. Garvey said the library hired the same group the Town did for their salary study. They didn't accept all of the recommendations but worked with Ms. Licks to make some adjustments based on the work employees did in the library that didn't track exactly with what the report suggested. Their proposed budget was created with these fairer, competitive salaries.

Chair Prohl asked if they were where they wanted to be with salaries. Ms. Licks said she feels the next budget year there will be three employees in need of further adjustment. They didn't feel they could do it all in one year. Chair Prohl asked if there was a COLA. Mr. Garvey said the raises built in everything they should have for 2017. The employees were adjusted independently and were not given a blanket increase. The average overall increase was 6%.

They have the same health insurance and dental plan as the Town. They have included a 10.6% increase in the health insurance as a place holder until the Town decides on a provider and plan. The Town has not yet chosen a health insurance plan so the increase is not yet known.

Ms. Licks verified that she has three full time and 11 part time employees.

When asked by Ms. Lund about the cleaning line, Ms. Licks noted that this line has stayed the same over the past several years because it is part of a contract the library shares with the Town.

Ms. Licks noted that in 2018 they want to finish the foundation drainage project. They are asking for an expenditure for this.

Selectman Rollins asked if anything is being done to find a solid proposal to keep pipes from bursting and flooding again. Mr. Garvey said Frank Anzalone, trustee and architect, said this time the burst pipe was from the 1991 addition. It was a hidden defect. The builders put a zone for the water next to the concrete. They are going to make corrections to try and deal with this issue as they see it. They are trying to find

bigger picture solutions but it is difficult because the way it was constructed at the time. There are problems that they can't see. This was an unrelated flood to the past floods.

Selectman Rollins asked if trustees are looking at a way to sprinkle the building; it would be a tremendous loss if there was a fire. She feels it is a critically needed conversation. Mr. Garvey said he agrees and would bring the discussion back to the board.

Mr. Cardillo asked about the drainage work. \$38,000 was to be spent but hadn't been as yet? Ms. Licks confirmed and said they planned to do the work in the spring. The last estimate she got was for \$45,000; more than they had budgeted.

\$3,000 for software is to pay for their hosting fees and annual software support.

When asked if the "Meetings" line should increase (because it was overspent in 2016), Ms. Licks said she feels the amount is reasonable and should remain at \$2,000.

Mr. Hudson reminded everyone that the School District's deliberative session would be that Saturday at the Kearsarge High School at 9:00am.

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

The meeting adjourned at 10:10pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London