

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
Tuesday, February 2, 2010 – 6:30pm
1 Grove Street, Peterborough, New Hampshire

Present: Joe Byk, Barbara Miller, Elizabeth Thomas

Also Present: Pamela Brenner, Nancie Vaihinger, Rodney Bartlett, Christine Lavery, Nicole MacStay

Chair Miller welcomed all in attendance and called the meeting to order at 6:30pm.

Senator Peter Bragdon – Legislative Update

Chair Miller introduced **Sen. Bragdon** and said that as he knows last year because of the shortfall that was passed on to the municipalities the Town had to cut \$300,000 from the budget. This year the Board is concerned about the future of the Meals and Rooms distribution, potentially another \$300,000 cut. Together that \$600,000 represents 13% of the Town's revenue which if not realized would result in severe cuts. **Ms. Brenner** said that she has put together a list of cuts that would total approximately \$300,000 if the Meals and Rooms revenue is lost and the Select Board directed her to avoid passing on the burden to the taxpayers. She then distributed the list to **Sen. Bragdon** and the Board. **Sen. Bragdon** said that last year Meals and Rooms was on the list of things to be cut until the last minute, and so he understood why the Board and Ms. Brenner were concerned.

Mr. Byk asked **Sen. Bragdon** he sees this as being a spending issue or a revenue issue, or a combination of both. **Sen. Bragdon** said that in his opinion towns do a better job managing their budgets than the state does: in the current State budget, spending has increased 7% and to make it worse, they are taking money from the towns to spend more. **Mr. Byk** asked where **Sen. Bragdon** would make cuts. **Sen. Bragdon** said that the Legislature cannot control its own spending, it has gone up by double digits. He explained that we pay commissioners between 4 and 5 million dollars in salaries and benefits to run their departments, and he said that he would expect that they would be able to find cuts. He said that he is on the Milford School Board, and they gave their superintendent a bottom line and asked him how he would get there, and he did it. He said that he would do the same thing if he were governor. He went on to say that education spending grew by \$150 million this year, and is projected to do the same next year. He said that he has no specific program that should be cut, however the Legislature needs to step back and ask what does the state do well, and what should or should the state be doing? He noted that there are a number of specialized commissions that may need to be cut, and overall he thinks that it is a spending issue.

Sen. Bragdon went on to say that the 2011 budget will be difficult since the state will be starting off \$110 million over budget, and there will not be any stimulus money which helped to close the budget gap this fiscal year. **Mr. Byk** asked if the governor cut every budget by 5% would that be enough to cover the shortfall. **Sen. Bragdon** replied that 10% of the budget would be \$160 million, and that the downturn of the economy has hit New Hampshire, turning revenues back to what they were in 2004. **Chair Miller** said that Peterborough's representatives recently reported that the State's income had increased. **Sen. Bragdon** said that it is hard to tell because one is not always comparing apples to apples, and that he is starting to get a grasp on where to look to find the apples, but it is very hard.

Mr. Byk asked who is the state's "financial czar"? **Sen. Bragdon** said there is the State Treasurer, and a Commissioner of the Department of Administrative Services who tell the Legislature what

they should do. **Mr. Byk** said that in one of Sen. Bragdon's previous visits to the Board he said that the State has accounting software which shows what the state has taken in, but not what has been spent. **Sen. Bragdon** said that as of October a new piece of software was brought online which is capable of giving expenditure reports.

Chair Miller asked if there is anything that the Local Government Center can do, and how can the Town support them. Sen. Bragdon said that LGC has been very helpful, and have always been there to tell the Legislature how changes effect communities, and have always provided good information to the senators. As advocates for the towns, LGC does a good job and by being in touch with them they will indicate what steps a community needs to take.

Sen. Bragdon then reviewed other issues and efforts affecting the state's budget, particularly highlighting the retirement system which has received some short-term fixes, but no solution has been put in place to make it financially solvent in the future. Some discussions have been focused on economic development, and others on the State's spending habits. He explained that any surplus is supposed to go into the "rainy day" fund; however a few years ago the State had a \$70 million surplus of which half was spent by the Legislature. He said that he has sponsored legislation which would only allow the diversion of surplus funds with a 2/3rds vote.

Mr. Chapman said that local towns are all feeling the impact of the downturned economy; food programs are suffering, and people are losing their homes. He asked how the economy is affecting the state. **Sen. Bragdon** said that the State is affected in the same ways that the towns are. The Department of Health and Human Services is under great strain, and as a result the Commissioner will be coming to the Legislature next week with \$40 million for his budget because he cannot keep up. The State is borrowing money from the federal government for the unemployment system. A variety of taxes and fees are in decline, probably to a greater degree than the towns, but the expenses are probably the same. **Chair Miller** thanked Senator Bragdon for taking the time to come to the Board meeting.

Joint Select Board/Budget Committee Meeting

The Budget Committee joined the Select Board at 7:00pm.

Human Services

	FY 2010 Budget	FY 2011 Budget	% Increase or Decrease
Net Operating	\$142,460	\$157,398	10.5%
Net Capital	0	0	0
Total to be Raised Through Taxation	\$142,460	\$157,398	10.5%

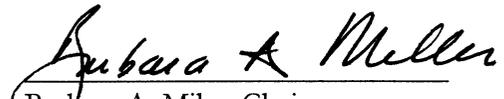
Human Services Director **Christine Lavery** presented the budget by explaining that direct relief has increased, and so has the salaries and benefits line.

Mr. Bartlett said that overall the budget is down 1.4%. There was a discussion about alternatives to the use of rock salt, which can be damaging. **Mr. Bartlett** explained that there are pros and cons to all of the ice control solutions, and that as a result the Highway Department uses salt very sparingly. There followed a discussion of various Public Works projects, particularly the Main Street Bridge/Route 202 projects and the Transcript Dam.

As there was no further business, the meeting adjourned at 8:21pm.

Respectfully Submitted,
Nicole MacStay, Assistant to the Town Administrator

PETERBOROUGH
SELECT BOARD:


Barbara A. Miler, Chair


Joe Byk


Elizabeth M. Thomas

ACTION ITEM PENDING LIST

1.

General Government/Insurance/Legal

	FY 2010 Budget	FY 2011 Budget	% Increase or Decrease
Net Operating	\$222,902	\$220,159	-1.2%
Net Capital	0	0	0
Total to be Raised Through Taxation	\$222,902	\$220,159	-1.2%

Ms. Brenner said that contracted service has been reduced, and she and **Ms. Vaihinger** are still working on a few items so she has left \$10,000 in the budget. Everything else has remained flat. She also noted that the risk management program which is an incentive program for the employees has been all but eliminated. **Ms. Thomas** asked if the town still has a retainer for the attorney; **Ms. Brenner** said that the retainer is \$60,000 and there is an additional \$15,000 for items not covered under the retainer. She noted that the Town Attorney has not raised his rates in four years.

Sewer

	FY 2010 Budget	FY 2011 Budget	% Increase or Decrease
Net Operating	0	0	0
Net Capital	0	0	0
Total to be Raised Through Taxation	0	0	0

Mr. Bartlett explained that revenues are projected to be down slightly reflecting use and connections. **Mr. Byk** asked how it is possible to project people using sewer less. **Mr. Bartlett** replied that no increases in fees will go into effect until the Town begins to pay for the new wastewater treatment plant. **Ms. Mansfield** said that the connection fees appear to be higher next fiscal year; **Mr. Bartlett** said that Southfield is slowly connecting units. Overall expenditures are down 1.14%.

Water

	FY 2010 Budget	FY 2011 Budget	% Increase or Decrease
Net Operating	0	0	0
Net Capital	0	0	0
Total to be Raised Through Taxation	0	0	0

There was an extended conversation about the Water Week calendars and program.

Highway

	FY 2010 Budget	FY 2011 Budget	% Increase or Decrease
Net Operating	\$1,265,247	\$1,268,156	0.2%
Net Capital	\$235,000	\$210,000	-10.6%
Net Special Articles	\$30,000	\$30,000	0
Total to be Raised Through Taxation	\$1,530,247	\$1,508,156	-1.4%