



TOWN OF NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • NEWLONDON.NH.GOV

BUDGET COMMITTEE MEETING MINUTES January 11, 2023, 6:30 PM Whipple Town Hall

BUDGET COMMITTEE MEMBERS PRESENT: Chris Lorio (Chair), Joe Cardillo (Vice Chair), Hannah Bianchi, Lou Botta, Lyndsay Harkins, John Wilson, Mark Christensen, Colin Beasley, Melissa Leintz, Bill Helm (Selectmen's Representative)

STAFF PRESENT: Kimberly Hallquist, Town Administrator; Lynn Lewis, Finance Officer

OTHERS PRESENT:

Police Chief Cobb
Fire Chief Lyon
Will Kidder, Town Clerk-Tax Collector
Bob Harrington, Public Works Director
Crystal Schimpf, Library Director
Will Kidder, Town Clerk-Tax Collector
Sherry Williams, Library Trustee
Eula Kozma, Library Trustee
Jerry Coogan, Library Trustee
John Ellis, New London resident
Mike William, IT Officer
Putman Kidder, Recreation Director
Joe Kubit, Trustees of Trust Funds

Approval of Minutes of January 4, 2023

Deferred to next meeting.

Selectmen's Report

Selectman Helm reported that the Selectmen:

- Discussed the Whipple Hall upgrade project and decided not to seek additional funding above the \$600,000 voted at the last Town Meeting. The Board learned from the Whipple Hall Project Committee that project costs have risen to over \$800,000.
- Approved the withdrawal of \$35,000 from Mary Haddad Fund for the Conservation Commission's Philbrick-Cricenti Bog walkway project currently underway.
- Discussed solar panels on the fire station and possible removal of funds from the Energy Conservation CRF for this purpose. Estimate of the project cost is \$150,000 with 30% credit resulting in a net cost of about \$105,000. Discussions will continue.
- Discussed plans for engaging the community in the \$375,000 land purchase of the former Bewley property on Newport Road.

Finalize FY2024 Budget

Kim Hallquist reviewed the updated information provided to the Committee.

Discuss Capital Reserve Funds and possible use for some expenses currently included in operating budget

Chair Lorio recognized Colin Beasley for a discussion of his review of existing capital reserve funds (CRF) for possible use for items currently in the operating budget, resulting in a lower operating budget.

Colin Beasley explained that he reviewed the establishment of the capital reserve funds by reviewing past town reports to determine the purpose of the funds and then reviewed the operating budget to see if the CRF could be used instead of appropriating funds in the operating budget. As an example, he pointed to the town's vehicles repair and maintenance CRF and noted that the budget includes \$149,000 for the various department's vehicle and equipment repair needs. Mr. Beasley noted that at the recent school deliberative session there was a discussion of their reserve accounts and what the goal is of the accounts, some of which had stated goals and some did not. He suggested that a discussion with the Selectmen about the town's goals for its CRF would be helpful. Selectman Helm agreed.

Colin Beasley observed that CRF are for "rainy days" and he cannot imagine there is more of a rainy day than now with the budget going through the roof and inflation going through the roof. Mark Christensen asked if there was a reason why the town shouldn't use the CRF in the way Colin Beasley is suggesting. Joe Kubit, Trustee of Trust Funds explained that the Trustees manage the town's CRF and can only turn over money when the request meets the purpose of the fund. The Trustees report to the Attorney General's Office and the voters and have the final decision if funds will be spent or not. Mr. Beasley noted that he believes that the items he has suggested are consistent with the purposes of the funds. Joe Kubit observed that the funds discussed by Colin were adopted under RSA 35:1 and they are capital funds while the items in the operating budget are not capital items. He noted that if the average citizen was asked about what a capital expense is, they would likely say it is a building or a truck, or land, not normal operating expenses. Mr. Beasley pointed out that the town has capital and non-capital reserve funds as listed in the town report.

There was a discussion of what is capital and what is not. Mr. Beasley asked who would arbitrate whether an expense could come out of the CRF. Joe Cardillo suggested the group consider the funds "reserve funds", pointing out that in the past the town has created "non-reserve funds". He pointed to the computer and replacement reserve fund as an example that perhaps a laptop would not be a capital expense. He noted that if the Selectmen are agents to expend an account, and there is a line item in the budget that could come out of the CRF, it should be considered.

Kim Hallquist noted that as Joe Cardillo pointed out, the town has capital and noncapital reserve accounts. When the Selectmen consider expending money from an account and there is a question of whether it is consistent with the purpose of the account, the Trustees are asked for their opinion. As an example, she pointed out that when the Selectmen were planning for work on the Whipple and Buker buildings, the Trustees were asked if the Dennis Mires study that was done to determine what repairs and upgrades should be done, could come out of the Town Buildings CRF. The answer was no as it was not a capital expense. She noted that the issues raised concerning use of the CRF is a larger policy discussion that should be conducted with the Selectmen. She noted that the discussion being held now is not about whether the funds being requested by the various departments is needed, only about where the funds will come from: existing capital reserve accounts or by funding within the operating budget (raised by taxes). The department heads don't necessarily know where the funds come from to pay the bills they submit; their concern is that they have the funds to keep their

vehicles and equipment operating. Department heads are concerned with capital reserve accounts to the extent that there are available funds for purchases when needed. She noted that she is not aware of a legal definition for 'capital' for purposes of capital reserve funds. Joe Kubit explained organizations set their own level for what they will consider capital and non-capital expenditures and it is often related to the expected life of the item with capital items lasting longer. Colin Beasley asked if there are GAAP (generally accepted accounting principles) rules for what expenses are considered a capital expense. Mr. Kubit noted that he was unable to find a set amount and noted that common sense is part of the determination. He also pointed out that the town vehicle fund only has about \$30,000 in it so the \$149,000 could not come from that fund. Mr. Beasley agreed and noted that he used the \$149,000 only to illustrate how much is budgeted in the operating budget for those purposes.

Mark Christensen inquired if the suggestion is that some line items in the operating budget should be zeroed out. Joe Cardillo explained that the suggestion is that if there is a line item that could be paid out of a CRF then it could be zeroed out, paid for using the CRF, and then in subsequent years it could be put back into the operating budget. Chair Lorio observed that taking items out of the budget and paying for them out of the CRF funds will result in the appearance of a budget increase the next year, even though it is not actually an increase because the items were purchased with other funds. He pointed out that 'sticker shock' could result and people would feel that the budget had increased.

Selectman Helm pointed out that the budget as approved by the Selectmen represented a 2.4% increase. The budget as it stands now is down to 2.3% increase. The discussion currently being held is about moving items around to be paid for out of other accounts which will require explanation to the taxpayer. He noted that the discussion has been valuable, and more is needed in the spring when the trustees can be present. At that time goals for the various accounts can be determined. Joe Kubit noted that as a citizen he is in favor of saving for future expenses.

All agreed that more discussion of capital reserve funds is needed.

The Committee reviewed and approved the budget section by section:

EXECUTIVE \$558,956

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Executive in the amount of \$558,956. THE MOTION WAS APPROVED UNANIMOUSLY

TOWN CLERK, ELECTIONS \$127,479

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Town Clerk-Tax Collector in the amount of \$127,479. THE MOTION WAS APPROVED UNANIMOUSLY

FINANCE \$424,438

John Wilson suggested that the \$25,000 for the finance software should be removed. Colin Beasley felt that the software is important and will assist the Budget Committee in its work for the budget it is preparing and also to forecast into the future. Lou Botta agreed. Mr. Wilson agreed on the value of the software but felt that before they commit to the software there is a need for more investigation into some of the capital reserves that Colin suggested earlier. Selectman Helm noted that the selectmen have committed to look into this and other areas in the coming months; he is opposed to the expenditure as the Selectmen previously voted. Joe Cardillo agreed that more work should be done before the software is purchased.

IT WAS MOVED (John Wilson) AND SECONDED (Lyndsay Harkins) to remove the \$25,000 budget software and approve the amount of \$399,438. THE VOTE ON THE MOTION: YES: Helm, Harkins, Cardillo, Wilson, Bianchi NO: Christensen, Lorio, Botta, Beasley, Leintz. THE MOTION FAILED

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Finance in the amount of \$424,438. THE VOTE ON THE MOTION: YES: Christensen, Lorio, Bianchi, Botta, Beasley, Leintz. NO: Helm, Harkins, Cardillo, Wilson THE MOTION WAS APPROVED.

ASSESSING \$92,500

IT WAS MOVED (Joe Cardillo) AND SECONDED (Colin Beasley) to approve Assessing in the amount of \$92,500. THE MOTION WAS APPROVED UNANIMOUSLY

LEGAL \$10,500

IT WAS MOVED (Lou Botta) AND SECONDED (Melissa Leintz) to approve Legal in the amount of \$10,500. THE MOTION WAS APPROVED UNANIMOUSLY

PERSONNEL ADMINISTRATION \$131,500

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Personnel Administration in the amount of \$131,500. THE MOTION WAS APPROVED UNANIMOUSLY

ZONING & PLANNING \$115,731

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Zoning & Planning in the amount of \$115,731. THE MOTION WAS APPROVED UNANIMOUSLY

TOWN BUILDINGS \$219,925

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lyndsay Harkins) to approve Town Buildings in the amount of \$219,925. THE MOTION WAS APPROVED UNANIMOUSLY

CEMETERY \$32,935

IT WAS MOVED (Lou Botta) AND SECONDED (Melissa Leintz) to approve Cemetery in the amount of \$32,935. THE MOTION WAS APPROVED UNANIMOUSLY

OTHER INSURANCE \$123,000

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Other Insurance in the amount of \$123,000. THE MOTION WAS APPROVED UNANIMOUSLY

ADVERTISING & REGIONAL ASSOCIATION \$19,259

Selectman Helm reminded the committee that the Chamber of Commerce submitted a letter explaining the need for an increase of \$2,500 for the purpose of hiring an intern.

IT WAS MOVED (Mark Christensen) AND SECONDED (Melissa Leintz) to approve Advertising and Regional Association in the amount of \$21,759 to include the increase of \$2,500 for the Chamber. THE VOTE ON THE MOTION: YES: Chistensen, Botta and Leintz NO: Helm, Harkins, Cardillo, Lorio, Wilson, Bianchi, Beasley. THE MOTION FAILED

IT WAS MOVED (Lou Botta) AND SECONDED (Lyndsay Harkins) to approve Advertising and Regional Association in the amount of \$19,259. THE MOTION WAS APPROVED UNANIMOUSLY

POLICE

\$1,507,104

John Wilson asked how the new software the Chief recently got approval for from a grant affects the computer licensing and support lines in the operating budget. Chief Cobb noted that it is too early to know what impact, if any, will result.

John Wilson proposed that the Committee approve the request for guns but not the purchase of a vehicle in the amount of \$70,000. He noted that he would like to delay the purchase of the car, with 70,000 miles on it, for one year. The Chief noted that she reduced her budget on the pistols by \$14,000 as a result of updated pricing and also to have off-duty pistols only for fulltime officers. Chief Cobb stressed that delaying the purchase of a cruiser this year puts the department in a difficult position next year when the cruiser is purchased and noted that the Chief's car has had costly maintenance issues recently and they are likely to continue.

Colin Beasley noted that the Selectmen should discuss this and adopt a policy on cruiser purchases. Selectman Helm noted that they could look at it to see if a change from the policy of purchasing one cruiser per year is appropriate. Colin Beasley noted he agrees with John Wilson to wait one year pointing out that cars can last 100,000 miles or more. Chief Cobb pointed out that a police vehicle is not used in the same way as a vehicle used by the public. Joe Cardillo agreed that the guns are needed but felt that the cruiser could wait one year.

It was noted that there is no funding for a cruiser in the FY2023 budget as two cruisers were purchased the year before when an opportunity was presented to do so.

Colin Beasley asked for confirmation that the \$3,500 for computer replacement has been removed. It was confirmed. He asked about the budget for radio replacement for \$10,000 and suggested that the CRF for Police equipment could be used for that. Chief Cobb noted that there are plans for that CRF for body camera grant that includes a requirement of town matching funds of 50%, about \$50,000. Some of the matching funds will come from the police equipment CRF fund and some from the operating budget or other sources that may be available. Mr. Beasley asked how the grant could be approved without a definite source for the matching portion by the town. Chief Cobb noted that when the Selectmen approved applying for the grant, they determined that the match would be made with available funds. Joe Kubit noted that the equipment fund will have approximately \$20,000 when the current year payment is made. Selectmen Helm noted that when the time comes to pay the matching funds, the Selectmen review all budget lines to see where savings have been realized and transfer those funds to police department to cover the matching funds.

Colin Beasley questioned the \$14,000 for vehicle maintenance and questioned whether the funds should come from the CRF. Chief Cobb noted that in coming to that figure she discussed the matter with the mechanic that knows the town's fleet well and he recommended \$14,000 as a reasonable estimate. Kim Hallquist noted that when the town vehicles repair and maintenance CRF was created, the discussion was not that it be used for oil changes and tire rotations, it was for the large, unexpected expenses like a blown engine or a pump on a fire truck. It is possible to have expendable trust accounts that could be used for routine maintenance, but she questioned the value of using such a trust given that the trust would still have to be funded. Kim Hallquist noted that she could see the benefit of using CRF this year because it would reduce the amount to be appropriated in the operating budget, but it would be a one-time benefit as going forward the money would need to be

appropriated. She also pointed out that having such expenses come from CRF would make it harder for people reviewing the budget to see how money is being spent in each department. Mr. Beasley stressed that he is looking, during hard economic times, to find ways to lower the amount to be raised in this budget.

IT WAS MOVED (John Wilson) AND SECONDED (Colin Beasley) to remove \$70,000 from Police and to approve Police in the amount of \$1,436,104. THE VOTE ON THE MOTION: YES: Cardillo, Wilson, Beasley; NO: Helm, Harkins, Christensen, Lorio, Bianchi, Botta, Leintz THE MOTION FAILED

IT WAS MOVED (Joe Cardillo) AND SECONDED (Melissa Leintz) to approve Police in the amount of \$1,507,104. THE VOTE ON THE MOTION: YES: Helm, Harkins, Christensen, Cardillo, Lorio, Wilson, Bianchi, Botta, Leintz; NO: Beasley. THE MOTION WAS APPROVED

FIRE \$629,602

Colin Beasley asked if the equipment repair and maintenance line of \$10,500 could come from the CRF. Chief Lyon described the various pieces of equipment that would have servicing performed and testing that is slated to come from that account. Chair Lorio observed that these expenses sound like the discussion from the police department that are not appropriate for payment by the CRF. Joe Kubit noted that doing routine maintenance like chainsaw servicing would not be able to come from the CRF. Mr. Beasley withdrew his recommendation to use CRF for the \$10,500 line item for equipment repairs and maintenance.

It was noted that the tax rate increases by one penny for every \$12,500 in expense.

Mr. Beasley noted that there is funding for new radios in the amount of \$64,000 in the budget; given that, he questioned the need for lines 366 (radio repairs: \$2,000) and 613 (radios: \$3,150). Chief Lyon noted that line 613 is largely for pagers and line 366 is for pagers and for radio batteries.

IT WAS MOVED (Lou Botta) AND SECONDED (Lyndsay Harkins) to approve Fire in the amount of \$629, 602. THE MOTION WAS APPROVED UNANIMOUSLY

FIREWARDS \$292

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Firewards in the amount of \$292. THE MOTION WAS APPROVED UNANIMOUSLY

EMERGENCY MANAGEMENT \$16,550

IT WAS MOVED (Chris Lorio) AND SECONDED (Joe Cardillo) to approve Emergency Management in the amount of \$16,550. VOTE ON THE MOTION: YES: Helm, Harkins, Christensen, Cardillo, Lorio, Wilson, Bianchi, Beasley, Leintz; ABSTAINED: Botta. THE MOTION WAS APPROVED

DISPATCH \$537,829

John Wilson suggested that the \$24,500 in equipment repair and maintenance (line 430) that will be used for the tower equipment on the mountain should come out of the CRF that was established for that purpose. Chief Cobb noted that some of it will be used for battery replacement and a cabinet on Mt. Kearsarge and some of it is for service agreements, rental of the space on Mt. Kearsarge and for the expected rental fee on Mt. Sunapee. Colin Beasley asked if lines 366 (radio repair: \$2,500) and 614 (new equipment: \$5,000) could also come from the CRF.

Chief Cobb reviewed her budget request and noted that the equipment replacement on Mt Kearsage is \$7,500, she would not be opposed to reducing the line so long as the money could definitely come from the CRF as the work must get done.

IT WAS MOVED (John Wilson) AND SECONDED (Joe Cardillo) to reduce line 430 from \$24,500 to \$17,000. VOTE ON THE MOTION: YES: Cardillo, Wilson, Bianchi, Beasley, Leintz NO: Helm, Harkins, Christensen, Lorio, Botta. THE MOTION FAILED

Lou Botta noted that some of the items suggested by Colin for use of CRF seem prudent but that committee members are out of sync and more time should be spent investigating these suggestions before making changes.

IT WAS MOVED (Lou Botta) AND SECONDED (Lyndsay Harkins) to approve Dispatch in the amount of \$537,829. THE MOTION WAS APPROVED UNANIMOUSLY

HIGHWAY ADMINISTRATION \$1,082,168

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Highway Administration in the amount of \$1,082,168. THE MOTION WAS APPROVED UNANIMOUSLY

HIGHWAY & STREETS \$578,600

Colin Beasley asked about line 430 \$80,000 for equipment repairs and maintenance, if there any items that could be considered capital like engines or compressors. Bob Harrington suggested that he is in the same position as the Fire Chief with regard to many items included. The account includes items that are small to those that are potentially much larger. He noted that if large items do come up, he tries to absorb them in his budget if possible.

IT WAS MOVED (Lou Botta) AND SECONDED (Lyndsay Harkins) to approve Highways and Streets in the amount of \$578,600. THE MOTION WAS APPROVED UNANIMOUSLY

STREET LIGHTING \$10,000

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Street Lighting in the amount of \$10,000. THE MOTION WAS APPROVED UNANIMOUSLY

TRANSFER STATION \$491,333

IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve Transfer Station in the amount of \$491,333. THE MOTION WAS APPROVED UNANIMOUSLY

SOLID WASTE CLEANUP \$17,500

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Solid Waste Cleanup in the amount of \$17,500. THE MOTION WAS APPROVED UNANIMOUSLY

HEALTH ADMINISTRATION \$6,344

IT WAS MOVED (Chris Lorio) AND SECONDED (Lou Botta) to approve Health Administration in the amount of \$6,344. THE MOTION WAS APPROVED UNANIMOUSLY

HEALTH AGENCIES \$249,769

IT WAS MOVED (Lou Botta) AND SECONDED (Lyndsay Harkins) to approve Health Agencies in the amount of \$249,769. THE MOTION WAS APPROVED UNANIMOUSLY

WELFARE ADMINISTRATION \$5,474

Lou Botta asked if the demise of state funding to assist people will have an impact on the town's budget. Kim Hallquist noted that it could, but at this time Welfare Director Celeste Cooks feels that the \$16,000 she has requested will be adequate.

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Welfare Administration in the amount of \$5, 474, Intergovernmental Welfare in the amount of \$6,000 and Welfare Payments in the amount of \$16,000. THE MOTION WAS APPROVED UNANIMOUSLY

RECREATION \$221,113

Selectman Helm noted that he would abstain from voting as the Selectmen have not yet considered the additional funds added at the last meeting.

Putnam Kidder, Recreation Director, noted that \$9,960 was added to the budget to cover the cost of Halloween to have the road closed for trick or treaters. Joe Cardillo suggested that for the upcoming budget they have those costs absorbed into the Police and Fire budgets, instead of the Recreation budget to see how it goes. Chris Lorio, speaking as a Recreation Commissioner, noted that the funds for it are not in the police and fire budgets and the Recreation Commission wants to make sure there are funds available to hold the event. Colin Beasley noted that this is not the first year it has happened so he would say that the funds are imbedded in their budgets already and if they are going to put it in recreation then the other budgets should be reduced.

Chief Cobb explained the funds allocated in the Recreation budget covers the cost at overtime rates as it is very difficult to get the amount of staff needed for the event and the staff must be compensated fairly. Kim Hallquist noted that she recalls when former Chief Andersen started closing Main Street and it was a relatively small event with few staff. Over time it has increased to a much larger event requiring many more officers and now fire personnel. It was absorbed in the budgets previously but it now a very big event, and it is getting bigger. Chris Lorio pointed out that the budget also includes things other than compensation. Lyndsay Harkins noted that her earlier comments were not about funding the event, it was about the accounting of the program. Kim Hallquist pointed out that the benefit to having it in the Recreation budget is that it makes it more transparent as it is a recreation event, it doesn't change that the town is paying for the event as it has in the past.

Chris Lorio noted that the Recreation Commission will be coming before the Selectmen to discuss other events, and it may be that in the future funds will be available from the revolving fund but for now, the Recreation Commission is asking for it to be in the operating budget. Joe Cardillo stressed that he is not opposed to the expenditure, he values the Halloween event of closing Main Street, he is just speaking to the issue of where in the budget the funds will come from. Chief Lyon noted that as the event has grown, he and Chief Cobb discussed whether it was time to stop closing Main Street because of the complexities of dealing with closing the road. He noted that the event takes 4% of his budget for fire fighter compensation as 20-24 firefighters are needed. He pointed out that the fire department has not been involved prior to this year aside from handing candy out at the fire station.

IT WAS MOVED (Joe Cardillo) AND SECONDED (Mark Christensen) to approve Recreation in the amount of \$221,113. VOTE ON THE MOTION: YES: Harkins, Christensen, Cardillo, Lorio, Wilson, Bianchi, Botta, Beasley, Leintz; ABSTAINED: Helm. THE MOTION WAS APPROVED

LIBRARY \$635,338

IT WAS MOVED (Lou Botta) AND SECONDED (Joe Cardillo) to approve Library in the amount of \$635,338. THE MOTION WAS APPROVED UNANIMOUSLY

The Committee considered the following budgets under one vote:

<u>PATRIOTIC PURPOSES</u>	\$300
<u>ARCHIVES/CULTURE</u>	\$19,818
<u>CONSERVATION</u>	\$21,878
<u>ENERGY COMMITTEE</u>	\$900
<u>OTHER CONSERVATION</u>	\$31,400

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Patriotic Purposes, Archives and Culture, Conservation, Energy Committee and Other Conservation in the amounts presented. THE MOTION WAS APPROVED UNANIMOUSLY

HOUSING COMMISSION \$16,302

IT WAS MOVED (Joe Cardillo) AND SECONDED (Lou Botta) to approve Housing Commission in the amount of \$16,302. THE MOTION WAS APPROVED UNANIMOUSLY

DEBT SERVICE PRINCIPAL \$409,025

IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve Debt Service Principle in the amount of \$409,025. THE MOTION WAS APPROVED UNANIMOUSLY

DEBT SERVICE INTEREST \$143,398

IT WAS MOVED (Lou Botta) AND SECONDED (Melissa Leintz) to approve Debt Service Interest in the amount of \$143,398. THE MOTION WAS APPROVED UNANIMOUSLY

TRANSFER TO CAPITAL RESERVES \$471,500

Computer Maintenance	12,000
Fire Department Radios	15,000
Fire Breathing Apparatus	5,000
Conservation Land Purchase	25,000
Fire Vehicle	105,000
Town Vehicles & Equip. Repairs	5,000
Highway Equipment Replacement	130,000
Police Equipment	5,000
Tracy Library Improvements	37,500
Communications Equipment	17,000
Town Building Maintenance	100,000
Energy Conservation	15,000
Sewer Department	10,000

Committee discussion and votes on the funds:

John Wilson noted that the Computer Maintenance fund has \$66,000 in it and he feels that the proposed payment of \$12,000 should be reduced to zero for this budget. He pointed out that the

town is in tough times and he questioned the sustainability of the approach being taken by the Budget Committee by some of its funding decisions tonight.

Mike Williams, Information Technology Officer, explained that the reserve account has been funded with an eye to replacing obsolete equipment, estimated to be \$170,000. He noted that there might be opportunities to change the way the town operates its systems, including going to the cloud, however in the near horizon there will be expenses. Colin Beasley asked if there was a timeline for having the plan in place; Mike Williams suggested that he would have a plan in the next year to a year and a half.

IT WAS MOVED (John Wilson) AND SECONDED (Joe Cardillo) to reduce the payment to the Town Vehicles Repair and Maintenance CRF by \$5, 000 to make no payment into the account. THE VOTE ON THE MOTION: YES: Cardillo, Wilson, Beasley; NO: Helm, Harkins, Christensen, Lorio, Bianchi, Botta, Leintz THE MOTION FAILED

IT WAS MOVED (John Wilson) AND SECONDED (Colin Beasley) to reduce the payment to the Highway Equipment CRF by \$130,000 to make no payment into the account.

Colin Beasley noted that in reviewing the planned future expenditures as produced by the Finance Department, reducing the amount this year will jeopardize having adequate funds for the purchases in 2025. According to the document he is looking at, after 2025 expenditures the balance will be down to \$83,000. Bob Harrington reviewed the list, noting that a few years ago the planned purchase dates were extended past the recommended manufacturer recommendations. He noted that the road grader is used for many things and at this point and could potentially be put off and not purchase next year as planned but at some point they will not be able to get parts for it to repair.

THE VOTE ON THE MOTION: YES: Cardillo, Wilson, Beasley, Leintz; NO: Helm, Harkins, Christensen, Lorio, Bianchi, Botta THE MOTION FAILED

IT WAS MOVED (John Wilson) AND SECONDED (Colin Beasley) to reduce the payment to the Communications Equipment CRF by \$17, 000 to make no payment into the account.

John Wilson pointed out that there is approximately \$240,000 in the account at this time. Chief Cobb noted that the fund provides for the most critical piece of communications equipment for the town and for the surrounding towns and stressed that that equipment is very expensive to repair and replace.

THE VOTE ON THE MOTION: YES: Cardillo, Wilson, Leintz; NO: Helm, Harkins, Christensen, Lorio, Bianchi, Botta, Beasley THE MOTION FAILED

IT WAS MOVED (John Wilson) AND SECONDED (Colin Beasley) to reduce the payment to the Town Buildings CRF by \$50,000 to make a payment of \$50,000 instead of \$100,000.

John Wilson noted that the Academy roof would not have to be done in the FY2024 budget as originally suggested. Kim Hallquist pointed out that the generator for Whipple was supposed to be replaced but with the overage in the Fire Department roof the funds are not currently available as the fund is almost zero. Mr. Wilson noted that it is at \$7,500. Ms. Hallquist noted that the fund is currently at its lowest level in her memory; it is usually higher as it deals with unexpected larger repairs and maintenance. She pointed out that the Committee has previously supported the \$15,000 for Fire Department air conditioning and carpeting expenses that will come out of the fund in

FY2024. Bob Harrington also pointed out that there are three generators for town buildings that were put into service in 1998 and they will need to be replaced.

THE VOTE ON THE MOTION: YES: Wilson NO: Helm, Harkins, Christensen, Cardillo, Lorio, Bianchi, Botta, Beasley, Leintz THE MOTION FAILED

IT WAS MOVED (John Wilson) AND SECONDED (Melissa Leintz) to reduce the payment to the Tracy Library CRF by \$37,500 to make no payment into the account.

John Wilson stated that he felt that the work scheduled to be done within this budget could be delayed for one year. Crystal Schimpf, Library Director, noted that the items scheduled for repair this year have been put off for several years and they are now in very poor condition. She pointed out that new items have been discovered that will need attention including repairs to the walkways and irrigation system. Ms. Schimpf explained that the roof needs repairs and early estimates put it at \$300,000 and it could go higher with rising costs. She concluded by noting that the original request was for \$75,000 and the Trustees agreed to the reduction to \$37,500 this year but do not agree to zero.

THE VOTE ON THE MOTION: YES: Wilson, Leintz; NO: Helm, Harkins, Christensen, Cardillo, Lorio, Bianchi, Botta, Beasley THE MOTION FAILED

IT WAS MOVED (John Wilson) AND SECONDED (Colin Beasley) to reduce the payment to the Conservation CRF by \$25,000 to make no payment into the account.

John Wilson pointed out there is currently about \$344,000 in the account and he is not aware of any land the Conservation Commission is looking to purchase with those funds so putting off a payment for one year should not slow the process. Joe Cardillo agreed and felt that putting the payment off for one year would not interfere with any current plans.

Joe Kubit noted that the Conservation Commission is currently using Mary Haddad Trust funds to purchase land on Andover Road. It was noted that the Haddad Trust is not part of the budget. Joe Kubit noted as a former Conservation Commission member that they strive to have some payment made to the fund every year.

THE VOTE ON THE MOTION: YES: Wilson, Cardillo, Bianchi, Beasley NO: Helm, Harkins, Christensen, Lorio, Botta, Leintz THE MOTION FAILED

IT WAS MOVED (Melissa Leintz) AND SECONDED (Joe Cardillo) to approve transfers to the various reserve funds in the amount of \$471,500 as presented. THE MOTION WAS APPROVED UNANIMOUSLY

The Committee reviewed Capital Outlays. Kim Hallquist noted that the Selectmen have included a warrant article for \$375,000 to purchase land. The Budget Committee will have the opportunity to recommend or not recommend it when the vote on the budget is made, but it cannot reduce the amount.

Capital outlays for vehicles and equipment is \$674,135; Buildings: \$85,000 and Improvements: \$196,500.

IT WAS MOVED (Lyndsay Harkins) AND SECONDED (Lou Botta) to approve capital outlays for vehicles & equipment, buildings and improvements as presented. THE MOTION WAS APPROVED UNANIMOUSLY

IT WAS MOVED (Lyndsay Harkins) AND SECONDED (John Wilson) to approve Sewer Operating Fund in the amount of \$1,130,517. THE MOTION WAS APPROVED UNANIMOUSLY

IT WAS MOVED (Chris Lorio) AND SECONDED (Lyndsay Harkins) to approve Sewer Transfers to Capital Reserves in the amount of \$10,000. THE MOTION WAS APPROVED UNANIMOUSLY

Kim Hallquist noted that the Budget Committee will have a reconciliation meeting with the Selectmen to discuss differences in the two budgets. At the public hearing, the Budget Committee will vote on the entire budget and make recommendations on the appropriation articles that will appear on the warrant.

The meeting adjourned at 8:55 PM.

Respectfully submitted,

Kimberly Hallquist
Town Administrator