



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BUDGET COMMITTEE MEETING MINUTES Wednesday, January 4, 2023 6:30 PM, Whipple Town Hall

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

MEMBERS ABSENT: Hannah Bianchi, Melissa Leintz

STAFF PRESENT: Kim Hallquist, Town Administrator

OTHERS PRESENT:

John Ellis, New London resident
Mike Matthey, Fire Prevention Officer
Bob Harrington, Public Works Director
Crystal Schimpf, Tracy Library Director
Will Kidder, Town Clerk-Tax Collector

Approval of Minutes of December 14, 2022

John Wilson noted typographical errors for correction.

It was moved (Lou Botta) and seconded (Lyndsay Harkins) to approve the minutes of the December 14, 2022 meeting as amended. THE MINUTES WERE APPROVED UNANIMOUSLY.

Selectmen's Report

Selectman Helm asked Police Chief Emily Cobb to provide a report on funding that was received. Chief Cobb reported that in the spring of 2022 she watched an information session webinar hosted by the office of Senator Jeanne Shaheen and the NH Municipal Association. The topic of that session was congressionally directed spending application and request process for the federal government budget for FY2023. Congressionally directed spending (CDS) is money that is earmarked by the federal government for a specific project or purpose that is supported and advocated for by lawmakers, so in this case, Senator Shaheen's office. Chief Cobb felt that the Police Department's CAD/RMS project would be a good fit for CDS funds. With the help of Senator Shaheen and her office, Chief Cobb applied for the CDS money to replace their current system. It is a large intricate project and will have a positive impact on emergency services in our region. The CAD/RMS project for the New London Police Department was accepted and funded in the amount of \$413,000. She anticipates information will be coming soon regarding next steps. This will have an impact on the Police Department, the Dispatch Center and all of dispatch partners and should improve the service that the communication center provides.

John Wilson asked what the support costs would be for this. Chief Cobb stated the purpose of the funding being so large is that it will allow for the purchase of the base model and license. She is not sure of the exact numbers for the ongoing costs, but it will be less because she was able to secure this funding.

Selectman Helm stated the Board of Selectmen have met twice since the last Budget Committee meeting. Some of the highlights from those meetings as they relate to financial issues are:

- The Conservation Commission has requested \$48,000 for the next phase of the bog walkway project. The money would come out of the Mary Haddad fund and it is likely that the Selectmen will approve the withdrawal for that project.
- They have reached an agreement with the owners of the 7-acre parcel of land on Newport Road for purchase by the town in the amount of \$375,000.
- Revenues were discussed but will be discussed further by the Budget Committee tonight.
- Merrimack County informed them that their budget for FY2024 will be up 2.9%. We don't know what our portion will be yet.
- Information was received from the Department of Revenue that the assessment ratio is now down to 62.5%. This will impact the grand list and assessors will continue to work on getting that number back up.
- The Board met with the chair of the Energy Committee and reviewed some of the grants that they will be pursuing.

John Wilson asked when the change in the grand list will start affecting them. Kim Hallquist responded that each year the grand list changes and they get those numbers usually in August. This is part of what they send to the DRA to get the tax rate set.

FY2024 Budget Review: Public Works

General Government Buildings

Public Works Director Bob Harrington reported that the Fire Department is requesting a mini split system. They have been using portable air conditioners which is not very efficient. They are also looking to replace carpeting. The Budget Committee and the Selectmen need to decide if this will be in operating budget under Fire Department as a building expense or the town buildings capital reserve fund.

Joe Cardillo stated as they have been going through the budget, there are several new additions that the Selectmen haven't addressed yet. At what point will the Selectmen deal with these. Kim Hallquist responded when they have their reconciliation meeting. Once the Budget Committee approves their budget and knows where the differences are between their budget and the Selectmen's budget, there will be a reconciliation meeting to try to come to an agreement if possible.

Colin Beasley asked Mr. Harrington about the General government buildings fuel line item. It seems like this could be forecasted easily yet this line item varies quite a bit. Mr. Harrington stated Lynn Lewis may be able to speak to this. Kim Hallquist responded that Finance Officer Lynn Lewis is more aware of the cost of fuel but Mr. Beasley is asking about the amount used. Chris Lorio stated in 2021 COVID might have impacted the budget as Whipple Hall wasn't being used much at all. Mr. Beasley stated there seems to be a significant variance every year.

Mr. Beasley also asked about highway garage electricity. The actuals are much higher than the forecasted amounts for the past few years. Ms. Hallquist will check with Lynn Lewis on this. This

may be due to solar panels and attributing more of the cost to the highway garage instead of spreading it out.

Mr. Beasley asked if the town clock falls under the building category. This has been discussed at several Board of Selectmen meetings and Mr. Beasley is wondering if there has been any conversation as it relates to this budget for clock repairs next year. Selectman Helm stated they have agreed to pay for it and have signed the agreement with the church. The clock belongs to the town and the steeple belongs to the church. Every effort will be made to offset that commitment by asking for donations. Kim Hallquist shared that the last time the clock needed significant repairs the money was raised in a short time.

John Wilson asked where the \$64,000 was going to come out of for mobile radios. There was also a question about what budget the carpet and HVAC would come out of. Kim Hallquist stated there is a capital reserve fund for radios and the \$64,000 is scheduled to come out of that. Chris Lorio asked if they could add the carpet and HVAC to that capital outlay. Ms. Hallquist responded they first need to agree that \$15,000 should be spent for that. If they do, it could come out of the operating budget under fire department buildings, repair and maintenance or they can ask the Selectmen to agree to take it out of town buildings capital reserve fund. \$100,000 is slated to be added to the reserve fund this budget session so the total will be \$125,000. If they don't agree, they won't use operating funds or capital reserve funds. Mr. Wilson stated he would like to see it funded using the capital reserve fund. Joe Cardillo agreed.

Selectman Helm commented assuming that \$100,000 is put in the capital reserve fund and the Selectmen take \$82,000 out for the roof of the academy building that only leaves \$25,432. If another \$15,000 is taken out that only leaves \$10,000 for the Selectmen to use in an emergency so they may push back on this. Colin Beasley asked if it was definite that the Academy building roof needs to be done. Ms. Hallquist responded no, she spoke with Bob Harrington and he agreed it could be put off for a year but may cost more by then. It's not in as bad condition as the fire station roof was. Ms. Hallquist stated Mr. Harrington had hoped to do a generator project this year and it hasn't been done yet. There are multiple things that could be fixed in a lot of buildings. Lou Botta stated there may be a grant opportunity for the generator for the Academy building.

Colin Beasley asked if the Elkins post office lease has the town paying for utilities as opposed to the post office paying for utilities. Ms. Hallquist responded yes, the town pays for all utilities.

Cemetery – no new information to discuss.

Highway Administration

Colin Beasley asked Mr. Harrington what is included in the uniform/safety equipment line item. Mr. Harrington responded this is for safety vests, chaps for chain saw operation, gloves, and hard hats.

John Wilson noted the budget for computer support is \$39,000. He feels this needs to be looked at as the amount of money being spent on this is huge and it's not clear what we are getting back. Chris Lorio commented that for Highway Administration, the amount is only \$6,000. Mr. Wilson was looking at the Dispatch budget but his point is well taken. Ms. Hallquist commented that we all should agree that it is important to have adequate and secure computers.

Highways & Streets

John Wilson discussed the line item for paving in the amount of \$235,000 and noted it has been at that number for several years. He asked if that could be altered in any way this year. Mr. Harrington

responded his recommendation would be no. The cost of asphalt has gone up significantly. Salt and sand has also increased.

Colin Beasley asked about line items for bituminous products and Calcium Chloride. Mr. Harrington stated bituminous is similar to asphalt in the fact that it has increased significantly. The Calcium Chloride is for dust control on dirt roads and holds the roads together.

Mr. Beasley stated that speeding concerns have been brought before the Selectmen several times. He does not see an increase in the line item for signs. Ms. Hallquist responded that in this budget, the sign line item is for stop signs, yield signs and those kinds of signs. The electronic type that the Police use are being purchased by a fundraiser. Mr. Beasley stated so the Selectmen have not identified any line item to address the speeding concerns of the public in this budget. Ms. Hallquist stated they do have some speed signs now and intend to get some more though the Police Benevolent Association. If that falls through, the Selectmen can use part of the \$4,300 sign line item or can transfer money into that area if it was deemed critical.

Street Lighting – no new information to discuss.

Transfer Station

Mr. Harrington stated they received good news with regards to the trash hauling fees and as a result the waste disposal line item has decreased.

Solid Waste Cleanup – no new information to discuss.

Sewer Buildings – no new information to discuss.

Sewer Collection

Colin Beasley stated the amount budgeted for FY2024 is \$540,000 and we have never come close to that number in the past. He thought some remediation to sewer lines had been done so shouldn't we have lower costs. Mr. Harrington responded that they did find a major water infiltration issue and repaired it so there has been a significant drop. Mr. Beasley stated that if you consider that the past years have had those leakages and we haven't come close to \$540,000 why are we putting so much in this year's budget. Kim Hallquist responded this is an estimate. Sunapee comes up with the budget for the facility, which is on a calendar as opposed to a fiscal year, and the town must estimate its portion at 60-65% of the estimated budget. She also noted that this doesn't affect the tax rate.

Revenues

Kim Hallquist provided an overview and stated these revenue amounts are estimates. The numbers will be more accurate in October. One area that she expects that the Selectmen will look to change is the land use change tax. This is when the assessors give us an idea of who will be taking land out of current use and then they are charged a 10% penalty. Another area the Selectmen may look at is Planning Board fees. This is currently at \$5,000 and they may increase it a little.

Colin Beasley asked about how meals and rooms tax are distributed by the state. Ms. Hallquist stated this is based on resident population and has nothing to do with how much rooms and meals the town generates.

Dispatch services is up which is a reflection of the budget and an estimate of how much we are going to charge the other towns.

John Wilson requested that Ms. Hallquist provide them with the number that will be applied towards the taxes. Kim Hallquist responded as soon as the Selectmen finish up and determine what will be in there, she will have that final number. Mr. Wilson feels this is wrong and they need to have that number as they are making their way through the budget so they can make decisions. They need to have a feeling about what that tax rate is going to be. If they have to wait, they can't give enough deep thought into what needs to be cut back on to be fair to taxpayers. Mr. Wilson suggested leaving the numbers that are in there now and using that bottom line as the ballpark figure. The estimated tax rate based on the estimated revenues will be provided to the Budget Committee.

Other Business

Colin Beasley sent an email to the Budget Committee, Kim Hallquist, Selectman Helm and Lynn Lewis before the holidays regarding research around the Capital Reserve funds. He identified the ones that the Selectmen are agents to expend and found some differences between what the Capital Reserve fund was approved for as a warrant on the article versus what we thought it was. He would like to have this document as part of next week's conversation. There is a lot of flexibility in funds as they are defined to use this piggy bank in this year of higher expenses to offset the expense profile. Next week, he will propose certain line items in the budget be taken off, and ask the Selectmen to approve using Capital Reserve funds in those particular areas. He would like to discuss if this is a possible approach to reducing the budget expense by taking a look at the Capital Reserve accounts. Ms. Hallquist asked Mr. Beasley if he has spoken to the Trustee of Trust funds regarding this idea. He responded that he has not. She recommended discussing this with them as they would have information on taking money out. These funds are often invested and this may have an impact on the interest that is earned and whether the money is readily available. Mr. Beasley suggested that anyone that needs to be a part of this conversation should be invited to the meeting next week.

Selectman Helm wanted to remind everyone that they agreed in the beginning that they will take a deep dive into Capital Reserves and other sources of funds in March after town meeting. He wants to be careful that they don't preempt the opportunity to have a full discussion with the Board of Selectmen and the public about how we fund things. He would like to know what the budget committee thinks is a reasonable level for the FY2024 budget. Chris Lorio stated he thinks that is individualistic at this point and everyone has a different idea. It is a discussion they need to have as a budget committee. Colin Beasley stated he applauds the Selectmen and the work that they did to bring the budget down to 2.4% but he is extremely concerned about the operating budget being at 9%.

Next meeting date – The next meeting will be held on January 11, 2023.

**It was moved (Lou Botta) and seconded (Lyndsay Harkins) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 8:05PM.

Respectfully submitted,

Trina Dawson,

Recording Secretary
Town of New London