



TOWN OF NEW LONDON, NEW HAMPSHIRE

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NEW LONDON BUDGET COMMITTEE MEETING MINUTES

Wednesday, November 29, 2023

Whipple Memorial Town Hall

6:30 PM

BUDGET COMMITTEE PRESENT: Colin Beasley (Vice Chair), John Wilson, Hannah Bianchi, Mark Christensen, Melissa Leintz, Charles Kelsey, Lyndsay Harkins, Bebe Casey, Selectman Representative

MEMBERS ABSENT: Chris Lorio

STAFF: Kim Hallquist, Town Administrator

ALSO PRESENT: Rich Epstein, Karen Epstein, Police Chief Emily Cobb; Will Kidder, Town Clerk-Tax Collector; Fire Chief Jay Lyon, Steve Ensign, John Ellis, Bob Bowers, Tim Paradis, Planning Board Chair.

In the absence of Chair Lorio, Vice-Chair Beasley chaired the meeting and called the meeting to order at 6:30PM. He recognized John Wilson.

John Wilson expressed his thoughts on the Budget Committee as they begin the new budget preparation. He questioned if members had read the minutes pointing out that reading the minutes is important as approval by the committee attests to their accuracy. He also pointed out that reading prior minutes helps members to know what happened previously. Mr. Wilson observed that he felt that last year the Budget Committee did nothing, if it hadn't existed, the same budget would have gone to Town Meeting. He objected to what he sees as a copout of the committee's responsibilities when they proceed with an attitude of the department heads know best what they need to operate. He suggested that the members should review the role of the budget committee and stressed that the Budget Committee becomes the arbiter, given power by the legislature, to reconcile the requests of the departments with the financial impact of the taxpayer. The budget that goes to Town Meeting is the Budget Committee's. He observed that the Selectmen's proposed operating budget is up 14.4%. When he was on the Budget Committee in the past, their target was 4% not to exceed. He stated that bringing forth a budget with a 14.4% increase is unconscionable.

Lou Botta agreed with Mr. Wilson but noted that the Budget Committee must respond to a vision and strategy of the town; setting a limit of 4% before they know what the town needs is not advisable. He suggested that understanding the town's master plan is important. Mr. Wilson questioned the value of the master plan as historically it has not been followed nor does it include things that the town really wants. The Vice Chair thanked both for their comments and asked that all keep those comments in context as they move into the budget preparation and urged all to offer their opinions as they continue.

Approval of minutes: August 30th: page 2, correct "Mr." Leintz to "Ms." Leintz and June 7, page 3: *Charles Kelsey asked if funds [add: were] invested in short-term, interest-bearing instruments.*

MOTION WAS MADE (Lou Botta) and SECONDED (Charles Kelsey) to approve the minutes of June 7th and August 30th as amended. THE MINUTES WERE APPROVED UNANIMOUSLY.

Selectmen's Report

Selectman Casey reported that the Selectmen met all day on October 27 to listen to presentations from all

department heads for the budget. The Selectman discussed the Capital Reserve Account distributions and additions for FY25 budget. Selectmen approved their budget on November 9, 2023. Subsequently we received an update from the Tracy Library in light of recent personnel changes. The Selectman will be reviewing those changes tomorrow night, so that number may or may not change. The Selectmen have been informed that the Library Director, Crystal Schimpf, has resigned her position. Her last day is expected to be January 5th.

The Selectmen have engaged the services of Colliers Project Leaders to provide project management services for a future New London Police Station. Chief Cobb is now working with Tony DiLuzio, the Associate Director, on viewing potential locations for a new station. She noted that the Selectmen expect to have information in the coming weeks to share with all. The presentation by Colliers at the November 9th Selectmen's meeting is posted to the website. The goal of the Selectmen is to get the information that voters have suggested they need before they can make decisions on this important issue.

Winter Gathering scheduled for December 15th at Colby Sawyer starting at 8:00 a.m.

Selectman Casey noted that she and Town Administrator Kim Hallquist participated in a meeting of the Coalition 2.0 group regarding next steps in light of two Superior Court cases, the Rand and ConVal decisions, that relate to the cost of an adequate education and funding of public education in New Hampshire. These decisions may impact New London if changes are made to the law that would eliminate the ability of towns to retain excess SWEPT money as they do now.

Vice Chair Beasley observed that he appreciated the questions that Selectman Bebe asked during the Selectmen's budget review that asked departments to say how they would use additional funding if it was available and how they would manage a decrease in their budget. Selectmen Bebe noted that the exercise was not to act on the specific items given by departments but was to allow board members to better understand the priorities in each department that they might not hear about during the year. She gave as an example one school official who answered that with extra funds, he would take steps to offer support in the area of mental health issues that he was seeing on an increasing basis; until he mentioned it during the budget session members were not aware of it. The result was that funding was increased for that purpose. Vice Chair Beasley observed that he felt it was a useful exercise and suggested that it might be one that the Budget Committee would like to include in its review. Mr. Botta noted that he felt that keeping in mind "if we don't get x-y-z, what would we gain and what would we lose". Vice Chair Beasley agreed and noted that such an exercise is measuring risk.

Vice Chair Beasley asked if the education decisions have an impact on this budget year. Selectman Casey explained that currently New London collects \$2.5 million via the State education tax – \$1.4 million is needed. The law currently allows towns to keep the excess, \$1.1 million in New London's case. In the 1990's that excess money was sent to the State and was given to towns that could not afford to raise as much money. Towns that raised excess funds were referred to as "donor towns" and New London was one. If the law changes and the excess \$1.1 million is sent to the State instead of staying in the school district, then the district would either have to raise an additional \$1.1 million or it would have to cut its budget by \$1.1 million. Selectman Casey observed that these decisions are likely to be appealed so it is unlikely that this issue will impact the FY2025 budget, however taxpayers should be aware that this issue is in the works. Lyndsay Harkins observed that New London is impacted by the six other towns in the district that vote collectively on spending issues.

Vice Chair Beasley asked if there was interest in talking about baselining what they think the economy will be? He noted that he was on a conference call that discussed increasing interest rates, inflation rates are coming down, consumer spending is strong but consumer debt is very high, and increasing people working from home which impacts commercial leasing. It all points to a challenging economy and the members should keep that in mind.

Budget Introduction

Town Administrator Kim Hallquist reported that without transfers to CRF the budget as proposed by the

Selectmen is up 6.9%, which is just under \$600,000. The Selectmen have included \$1 million dollars in funding for CRF; including the \$1 million in CRF's, the budget it up 12.5% or \$1.1 million dollars. She reported that the Selectmen have not yet made a decision on COLA's for employees or on changes in salaries that may be made as a result of the recent wage survey so the Selectmen have added \$150,000 to the Executive portion of the budget to cover those expenditures. Employee health rates are not known at this time but we have a maximum not to exceed rate of 14.6% for health insurance and 4.7% for dental, these increases are included in the Selectmen's budget. There has been considerable discussion about doing a better job of maintaining all town buildings. To that end, the selectmen have included funding for a building asset management plan at a cost of \$50,000 that has been recommended by Phil Sherman and members of the Whipple Committee and Bob Harrington. Ms. Hallquist noted that after more than a decade of no increases in the vendor payments for welfare, the selectmen are recommending an increase of 56.3% which is \$9,000. Cemetery maintenance costs have been removed from the operating budget and will be funded from the reserve fund that was established for that purpose. Looking at revenues, the estimates include an increase in Current Use Land Change Tax of \$40,000, a decrease in State Meals & Room Tax of \$162,000, a decrease in State Block Grant of \$285,175. Zero is listed in bond proceeds because at this time we do not have projects proposed that will require a loan. Ms. Hallquist stressed that revenues are adjusted by the selectmen in October during the tax rate setting process.

Vice Chair Beasley asked when the drop-dead date is to add warrant articles. Ms. Hallquist noted that if the article includes an appropriation, then it must be disclosed at the public hearing, which is currently set for February 14th.

Report from the subcommittee on Capital Reserve Funds

John Wilson presented the report and noted that at the last Budget Committee meeting a working group was formed. Members included: Charlie Kelsey, Melissa Leintz, Colin Beasley and himself. The group met with department heads twice and the third meeting was to complete the report with recommendations. He noted that input from department heads was considered in the first two meetings.

IT WAS MOVED (Charlie Kelsie) AND SECONDED (Melissa Leintz) to accept the report as presented and to forward it to the Selectmen. VOTE ON THE MOTION: Yes: Beasley, Wilson, Botta, Casey, Christensen, Kelsey, Bianchi, Leintz. No: Lyndsay Harkins. THE MOTION WAS APPROVED.

Vice-Chair Beasley thanked the subcommittee for its work.

Capital Improvement Program (CIP)

Vice-Chair Beasley noted that they would hear a high-level review of the CIP and discussion of capital reserve funds would be done later in the process. Tim Paradis, Chair of the Planning Board, presented the CIP to the committee. Mr. Paradis noted that this process is not a budget process as far as funding the items is about stepping back to see the big picture of what department heads see as needs coming in the future.

Vice-Chair Beasley asked if the Planning Board reviews the Master Plan on a regular basis to come up with a score card of what items have been accomplished or addressed. Mr. Paradis noted that they don't review it to come up with a score card.

Public Comment

Bob Bowers noted that he previously sent a memo to the Selectmen and Budget Committee about the issue of sidewalks and his thinking that the Selectmen's budget does not include funding for the number one priority in the Master Plan which is sidewalks. He urged the Budget Committee to take a broader approach to this topic to consider what is the amount that should be added to the sidewalk CRF to do the work that must be done. Mr. Bowers suggested that sidewalks should get attention in the budget every year. He understands that his suggestions for funding will likely not be adopted in their entirety, but he

hopes that they will take a hard look at what can be done every year to make improvements which is consistent with the Master Plan. He suggested that members take a look at the new sidewalk put in by the school recently, noting that it is 5 feet wide and ADA compliant.

Mark Christensen thanked Mr. Bowers for bringing this to the Committee as he has been very frustrated at the condition of the sidewalks in town. Lyndsay Harkins agreed and noted that this has been an issue for many years, and it has become so convoluted that it is difficult to know where to start. Mr. Bowers agreed and noted that it takes looking at all of the areas in need of a sidewalk and planning for the funding, which is the Selectmen's job. The Budget Committee can include funding, but they don't get involved in executing the work. He offered to sit on any committee that might be formed to look into this issue. Lou Botta agreed that sidewalks add to the quality of life and economic vitality of the town and are important referring to page 21 of the Master Plan. Selectman Casey thanked Mr. Bowers for his memo. She has considered the issue of installing the Main Street sidewalks before the water main replacement but concluded that tearing them up shortly after installation would not be prudent. She asked if the Subcommittee discussed the sidewalk fund beyond making a recommendation that the Selectmen should be made agents to expend. Mr. Wilson noted that the level of the fund was not in the purview of the committee.

Kim Hallquist suggested that the taxpayers of New London should be applauded for the resources they have put to sidewalks in the past 10 years: Pleasant Street from Job Seamans to Cougar Court; Elkins Beach to the dam and then down Elkins Road to Wilmot; Parkside to the Outing Club and Cottage Lane to Main Street. She noted that in 2022 voters approved \$120,000 for sidewalks on Main Street that is awaiting the water main replacement project. She also pointed out that in addition to sidewalks, people on gravel roads have asked to have their roads paved, so that is another budget issue. Ms. Hallquist noted that in addition to building and repairing the sidewalks mentioned, taxpayers have also spent more than \$100,000 on a sidewalk plow and about \$250,000 on a street sweeper to keep roads and sidewalks useable. Mr. Bowers agreed that the town has been doing good things, but they have not done anything in 7-8 years. He pointed out that he observed 4 children that were almost hit on Gould Road and it would be safer for walkers if a sidewalk was available on that road and other roads, noting that there would be different opinions on where the new sidewalks should go.

Vice Chair Beasley asked when they would have an idea of when the Water Precinct project will happen so they can consider the funding issue. Ms. Hallquist noted that the Water Precinct will be in attendance at the first December meeting of the Selectmen. Vice Chair Beasley suggested that there should be some structure to planning what the needs are of the various projects in town so that there can be a conversation about priorities. Charlie Kelsey noted that he was on the CIP committee and there was discussion of prioritizing various items as the entire program includes projects that are a significant amount of money. He suggested speaking with department heads to get their thoughts on the priorities; he found them to be very thoughtful when discussing estimated costs and priorities.

Vice Chair Beasley suggested that the committee get the CRF funding sheet prepared with 10 years of data so that the committee can be looking to the future as they make decisions on the current budget. The committee agreed that it would be helpful to have the information, the Finance Officer will be asked to prepare the information.

There was a discussion on the progress the Planning Board is making on the priorities of the Master Plan. Mr. Paradis noted that while the Planning Board does not set aside specific time at each meeting to go over the Master Plan, they are guided by it. He gave as an example the current work with the Housing Commission as meeting the Master Plan goal for more affordable housing. He noted that form-based zoning is something the Planning Board is very interested in which would allow for creativity in how property can be developed, which includes walkability which is a priority. There was a discussion of the Main Street Corridor study assisting in making decisions on sidewalks. Mr. Paradis noted that in addition to the uncertainty of the water main replacement project, the increasing costs of engineers were also

delaying the study.

Karen Epstein noted that she has attended the Water Precinct meetings and she understands that it will be a one year project.

Selectmen's Warrant Articles

None approved to date

Bonded Dept and TANS

Ms. Hallquist noted that TANS (tax anticipated notes) is funded at \$1. The bonded debt is the amount previously approved by voters and must be funded as they are obligations of the town. The most recent bond is the \$600,000 plus \$186,000 approved by voters for repairs to Whipple. The Finance Officer is submitting the required loan documents. There was discussion of maximum amounts of indebtedness. Ms. Hallquist noted that towns can set the limit they feel best – some ways are a percentage of taxable value or percentage of operating budget, which is the most common. She noted that Treasurer Steve Theroux keeps a close eye on this to ensure that the town does not allow indebtedness to get too high. Ms. Hallquist noted that during the last few years, with lower interest rates, decisions were made to bond instead of using capital reserve funds for several bridge projects.

The Committee deferred discussion of revenues and the operating budgets that were listed on the agenda.

The next meeting will be held on December 6th.

The meeting adjourned at 7:56 PM.

Respectfully submitted,
Kimberly Hallquist
Town Administrator