



TOWN OF NEW LONDON, NEW HAMPSHIRE

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NEW LONDON BUDGET COMMITTEE MEETING MINUTES

Wednesday, December 6, 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, Lou Botta, Bebe Casey, Selectman Representative

MEMBERS ABSENT: Chris Lorio

STAFF: Lynn Lewis, Finance Officer

ALSO PRESENT: Rich Epstein, Karen Epstein, Police Chief Emily Cobb; Heidi Dunlap; Will Kidder, Town Clerk-Tax Collector; Adam Ricker, Planning Administrator; Fire Chief Jay Lyon; Crystal Schimpf, Library Director; Sherry Williams, Library Trustee; Tom Carley, Library Trustee; Robert Harrington, DPW Director; John Ellis.

In the absence of Chair Lorio, Vice-Chair Beasley chaired the meeting and called the meeting to order at 6:30PM. He confirmed that Kim Hallquist would not be at the meeting and will postpone a discussion on the Executive Section of the budget. Vice-chair Beasley called for comments.

John Wilson stated that during his diatribe he spoke about a 14.4% increase in budget and was corrected by Kim Hallquist. He confirmed that Kim was correct, and the increase was 12.4%. He asked to postpone the Library discussion as he did not get the materials in time to adequately prepare. He also mentioned that if we are tearing up sidewalks for the Water Precinct project, we will miss an opportunity if we do not work with the Precinct in replacing the sidewalks to get the most for our money and make the sidewalks better.

Lou Botta referred to the discussion by John Wilson at the last meeting surrounding the responsibilities of the Budget Committee. He introduced the NH RSA 32:16 which lays out the responsibilities of the committee.

32:16 Duties and Authority of the Budget Committee. –

In any town which has adopted the provisions of this subdivision, the budget committee shall have the following duties and responsibilities:

- I. To prepare the budget as provided in RSA 32:5, and if authorized under RSA 40:14-b, a default budget under RSA 40:13, IX(b) for submission to each annual or special meeting of the voters of the municipality, and, if the municipality is a town, the budgets of any school district or village district wholly within the town, unless the warrant for such meeting does not propose any appropriation.
- II. To confer with the governing body or bodies and with other officers, department heads and other officials, relative to estimated costs, revenues anticipated, and services performed to the extent deemed necessary by the budget committee. It shall be the duty of all such officers and other persons to furnish such pertinent information to the budget committee.
- III. To conduct the public hearings required under RSA 32:5, I.
- IV. To forward copies of the final budgets to the clerk or clerks, as required by RSA 32:5, VI, and, in

addition, to deliver 2 copies of such budgets and recommendations upon special warrant articles to the respective governing body or bodies at least 20 days before the date set for the annual or special meeting, to be posted with the warrant.

He reminded everyone that NH is a Dillon's rule state in that any powers not given by the State to the local communities are the purview of the State. Mr. Botta asked that the statute be included in the minutes. Mr. Botta gave a copy of the statute to all Board Members.

Approval of minutes: November 29th: page 2, correct "Selectman Bebe" to "Selectmen Casey." page 4: Kelcey to Kelsey. Lou Botta's name was missing from the present list.

Charlie Kelsey questioned if the Board was OK with the omission of John Wilson's characterization of the Master Plan. Lou Botta stated that there are people that worked hard giving vision to the Master Plan.

Vice-chair Beasley asked if it was appropriate to carry action items from meeting to meeting. There should be a vote for each item.

There were three action items from last week and a vote was taken on each one:

MOTION WAS MADE (Mark Christenson) and SECONDED (Charles Kelsey) to have Selectboard's input on forming a committee on sidewalks. Motion was approved

MOTION WAS MADE (Lou Botta) and SECONDED (Charles Kelsey) to get an assessment from Adam Ricker on how the Town is doing on the Master Plan and how to measure success. The motion was approved.

MOTION WAS MADE (Lou Botta) and SECONDED (John Wilson) to monitor the Water Precinct's main street project work schedule against the corridor study funding date to possibly modify the budget if work was to be complete by 2025. The motion was approved.

MOTION WAS MADE (Lou Botta) and SECONDED (Melissa Leintz) to approve the minutes of November 30th as amended. THE MINUTES WERE APPROVED UNANIMOUSLY.

Selectmen's Report

Selectman Casey reported there was a study done by Jones & Beach on two parcels of land by Bucklin Beach. The small parcel was wetlands and not viable for any building. The other lot, adjacent to the stump dump, had potential for a water treatment plant, solar array, or expansion of the transfer station. More studies would be needed but not moving forward at this time.

There was a holiday party for employees last Friday and employees were recognized for their years of service. Some at 35 years.

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

Vice-Chair Beasley asked if the Library could reschedule. Ms. Schimpf stated that they had aligned the schedules of her and the Trustees to be here tonight and her documents were submitted on 11/20. Vice-chair Beasley asked if they could send follow-up questions if needed and Ms. Schimpf stated she was available until January 5th. John Wilson stated that there seemed no alternative but to allow them to present.

Vice-chair Beasley then stated his intentions for this budget season. Revenue will be reviewed later but should be important as they move forward with the budget. There was a general decrease in revenue of 17.6% year-over-year for FY24 – FY25. Removing Capital Reserves and Bonds, the amount is 11% decrease. From 2021 there is basically a flat level of revenue at 1.6%. The general budget costs have increased 12% year-over-year and 2021 actuals are 53.7% higher than 2019. With this trend, the budget will double by 2028 over 2019. He stated that some feel New London taxpayers can afford the increase but cautioned not to be influenced by this broad stroke. His focus is to balance asks against an increase and

determine needs vs. wants. He brought up that there is a surplus each year that is used to bring down the tax rate but felt it would be more prudent to have a tighter budget with less surplus. Vice-chair Beasley stated his intention was to reduce the Selectmen's budget by 2%. He also would like to recommend that the Selectmen form a committee to look at revenue and what type of revenue/cost growth will be seen from the zoning changes.

Library

Crystal Schimpf presented the library budget highlighting that this budget was lower than the one originally submitted to the Selectmen. Tracy Library is looking for \$709,895 which is 11.7% higher than last year. The Town appropriation funds 90.3% of their overall budget. Personnel is up 19% and that includes wages, insurances, and an added maintenance position. They have moved money from the maintenance line item for this position.

They have added 6% wage increase estimating a 3.5 COLA and a 2.5 step increase. Line 21 is a compensation review as the Board wants to make sure wages are fair and competitive. The maintenance line is down as they moved that cost to the new PT Maintenance position. The line for Trustee expense is down as they will have concluded the strategic planning.

Selectman Casey asked how the 3.5 COLA was determined. Director Schimpf indicated that it was a mid-range estimate but will decide when the Selectmen set their COLA for the Town. Selectman Casey stated that the Board of Selectmen had set aside \$150,000 as a line item for COLA and wage study adjustments.

Mark Christensen asked for clarification of the PT Maintenance position. Director Schimpf stated that right now they contract out for snow removal, small repairs, and cleaning. The PT Maintenance position would handle these tasks.

Lou Botta asked why the line item for Gifts and Memorials was often lower than budgeted so why not lower that amount. Director Schimpf explained that during the pandemic years the amounts dropped but it is hard to estimate what will be given each year.

Mr. Botta also asked why the copier lease was down. Director Schimpf explained that they purchased a copier so the cost only includes a small service agreement and supplies.

Mr. Botta asked why the line for IT was down 58% and Director Schimpf explained that it was broken out into two line items.

Mr. Botta asked about the strategic plan and the Professional meeting line item. Director Schimpf stated that the strategic planning came out of the Trustee Expense. The Professional meetings are training and development for the staff. Melissa Leintz asked if the Library had a policy for travel and allowable expenses or minimum mileage for staying over. Director Schimpf stated that there was not a policy but there were standards that were followed. There was a discussion about the need for a policy and Director Schimpf said she would refer this back to the Trustees.

Selectman Casey asked why line item 14 was down to 25,000 but was usually 45,000. Director Schimpf stated that they have used the funds in the reserve account to offset increases but prefer to have 1-3 months operating expenses. FY2025 operating expense is approximately \$65,000 and they are preserving the amount in the reserve fund if needed in future years. Vice-chair Beasley asked what the source of the reserve funds was and Director Schimpf responded that they were from donations and fees: those items above line 12 in the budget.

Mr. Botta reiterated that he is uncomfortable with no travel policy and Vice-chair Beasley asked if the Town had a policy. Mrs. Lewis stated that there is a written policy on what is a reimbursable expense such as food but not alcohol. There is no set rule on mileage but a conference in Concord or Manchester

would be traveled to on the days of the conference but one in North Conway would require overnight accommodations. It depends on the burden put on the employee to travel to and from a conference.

Director Schimpf added that we use federal standards for reimbursement of mileage. Vice-chair Beasley asked if they would be willing to adopt the policy of the Town and Director Schimpf stated she would bring it to the Library Board.

There was discussion and it was confirmed that the Library participates in the cost savings that the Town has negotiated with propane and electric.

There was a question about not spending the full balance for repairs from the budget. Director Schimpf stated that other line items were overspent so it was intentional to underspend this line. In years past they built a cushion into this line but have brought it more in line for FY25 and with the PT Maintenance position, they expect this line to remain low.

Asked about surplus and Director Schimpf explained that it goes to unreserved fund. There is separate accounting kept ensuring that the Town appropriation is fully spent on primary operating costs. Only during the pandemic was the appropriation not fully spent and that portion was returned to the Town.

Library Capital Budget

The request this year is \$100,000 to cover necessary expenditures in 2025 and future years. This year the Library will expend for a deteriorating stone wall which will include tree removal and exterior building repairs that were previously patched but now require repair. In the coming years, the slate roof will need replacement and they have had an inspection done to ensure it will last another few years. That report is not back yet.

Charlie Kelsey asked if there are more important repairs than a stone wall. Also asking for clarification of whether the wall is aesthetic or structural. Director Schimpf stated that part of the wall abuts a neighbor, and the stones are falling into their yard. The wall is a retaining wall on one side of the garden. They are looking to get multiple quotes on the repair. Asked if it was a need or a want, the Director said she would have to ask the Trustees and Facilities Committee as she was not a stone wall expert. She was asked if they had considered volunteers for some of the repair work. She stated that they might not do that for insurance purposes but would take that suggestion back to the facility committee. She also stated that their goal is to group like repairs together. She will follow up when they have an update on the roof inspection.

Vice-chair Beasley asked how they coordinate repairs and if the Library would be willing to try to group repairs with those of the Town for cost savings if done together or the use of a project coordinator. Director Schimpf stated that they have not had a repair the size of Whipple that required more than a couple of days of work. She will take these suggestions back to the Library facility committee and will provide an update before her departure or a new contact person.

Vice-chair Beasley thanked Crystal for her service to the Town.

John Wilson asked about wages and COLA. Lynn Lewis stated that the Selectmen have not yet set the COLA but added \$150,000 to the budget to cover COLAS and wage study adjustments. Charlie Kelsey asked why it appeared that the wages were increasing in one instance 8% over last year. Mrs. Lewis explained that the amount of the wages in FY24 did not include the COLA of 5.25 % but the wages for FY2025 took that into account. Thus the COLA and the step make up the 8%.

Town Clerk/Tax Collector

Will Kidder explained that the increase under Town Clerk was for printer ink and a new Town seal.

The increase under Tax Collector was for Deed registrations. The big increase was under elections and

that is for the new Ballot machines as the ones we currently use will not be serviced after 2024. It also includes the added amount for programming as that is up due to the number of candidates on each ballot.

Mr. Kidder and Michael Todd, Moderator, have chosen which machine they would like to purchase, and all added costs are included in the budget line item.

Mr. Botta asked why the conferences and training line was up 100%. Mr Kidder stated that Dianne Bottaro was now attending conferences, doubling the cost.

Vice-chair Beasley asked about computer support. Mrs. Lewis stated that his costs are rolled into the finance line item.

Finance

Lynn Lewis stated that the only large increase is for conferences and training as there were several important training courses that had to be passed over last year because money was not in the budget. The ongoing cost of the budget software will go down about \$4,000 now that the software has been chosen. The audit amount was down slightly as they can roll forward some information this year.

Charley Kelsey asked who we use for auditing and do we put it out for bid each year. Mrs. Lewis responded that we use Plodzik and Sanderson. We do not go out for bid as Plodzik is a well-respected firm and they are familiar with how we operate. We always have the same lead auditor but there are always new people every year to prevent complacency or a sense of familiarity between her and the audit team. A new firm would likely cost more as the cost is based on the time it takes to perform the audit. A new firm would take significantly longer to complete the audit. Plodzik is also available to staff during the year for questions at no additional cost.

Mr. Kelsey asked how we determine the amount that is paid for positions such as Treasurer or Selectman.

Mrs. Lewis stated that the Selectmen determined what is reasonable compensation for the service they perform.

Mr. Kelsey asked about the \$25,000 software item. Mrs. Lewis explained that it was the ongoing cost for budget software and she was asked last year to break it out. She gave a synopsis of the new budget software.

Vice-chair Beasley stated that he was part of the viewing team for the new software but was unsure why the ongoing cost was the same as the setup costs. Mrs. Lewis stated that the company had discounted the first-year costs by \$14,000 because we were buying the entire suite. There was a discussion regarding what happens to our data if we choose to leave. Mrs. Lewis will obtain the answer and get back to the committee.

There was a discussion about the electricity contract. The Energy Committee decided to remain with Eversource due to the low rates until we switch to Community Power. That should occur in February and the rates will be lower than Eversource but we do not yet know where they will land. Current budget numbers are based on Eversource rates.

Vice-chair Beasley asked about our rates for propane. Mrs. Lewis informed the committee that our rate is set at \$1.55 per gallon with a commitment of 19,000 gallons and all Town buildings are in the plan including the Library. It was suggested that we look into partnering with Kearsarge School district, New London Hospital, and Colby-Sawyer so we can further lower the rate.

Vice-chair Beasley asked about diesel fuel. Bob Harrington stated that there is a diesel fuel tank at the Town garage and his trucks and the fire trucks are fueled there.

Vice-chair Beasley asked if a report can be run to show just equipment lines. Lynn Lewis will run that report for the committee.

Assessing

Kim Hallquist was not present so Lynn Lewis stated that this is for the Tri-town assessors and pays for our Assessor and Assistant assessor along with Newbury and Sunapee. She was unsure of any other fees included. It was recommended to wait for Ms. Hallquist for additional questions and clarification.

Legal

Lynn Lewis stated that it is hard to judge what we need for legal and it is difficult to plan for legal expenses. Mr. Botta asked if it might be cheaper to have someone on retainer. This will be a question for Kim when she returns.

Personnel Administration

These items are reimbursed by the Library on the Revenue side of the budget and include any insurance increases that are expected. She was asked if we shopped insurance. She stated that we had looked at other insurance carriers last year but the prices were fairly comparable to what we pay now with a smaller network.

Charlie Kelsey asked for clarification on the leave time accrual and buyout. Lynn Lewis explained that employees can accrue up to 240 hours and anything over that at the end of the year is lost. If an employee leaves, they are paid out for the accrued leave time.

Planning and Zoning

Adam Ricker stated that the primary increase in his budget was the salary line which was a result of the wage study which moved his position, and the sewer supervisors position, up a grade. Other items are stable. Mr. Botta asked if the new flood maps will affect the budget. Mr. Ricker explained that FEMA will be remapping the flood plains and new shape files will be supplied to the Town. There is money in the budget for this project as we always have a line item for map upgrades.

Mr. Ricker spoke to the Master Plan and pointed out that while it lives under the Planning Board, there are many Town Departments and Committees that contribute to it. The Master Plan sub-committee was made up of members from Energy, Conservation, Zoning, Planning to name a few with a “variety of objectives that stem from each of those disciplines.” There were 25 items on the plan and the Planning Board is currently working on 5 of those while the Waste Reduction Committee is working on 6 of the items. The Planning Board was driven to focus on housing as a result of the crisis in NH.

Vice-chair Beasley asked Mr. Ricker to address sidewalks. Mr. Ricker explained that sidewalks would be a fraction of the Main Street corridor study and they are looking to possibly move forward with form-based code away from land use. All of it dovetails into walkers, bikers, & motorists finding their way around town. As the changes will encompass a State Road, they will need to be approved by the State. The original budgeted amount will no longer be sufficient as costs for engineers have risen almost 5 times what they were pre-pandemic. The Housing Commission has been preliminarily awarded a grant for zoning and its impact on housing. The Planning Board is looking to piggyback some of the corridor study to see where it takes them in an effort to reduce costs to the taxpayer.

Vice-chair Beasley stated that the corridor study was much bigger than just walking or biking. Mr. Ricker agreed but stated that the deficiencies in the sidewalks should be addressed and while the Water Precinct will need to do some sidewalk work after they replace lines, they are only required to put them back as found with no improvements. Vice-chair Beasley suggested a discussion with the Water Precinct to see when they intend to be done so we can coordinate the budget to be ready to move forward. Mr. Ricker stated that the Town needs to see a detailed construction plan from the Water Precinct and that is expected shortly.

Vice-chair Beasley stated that it was not just sidewalks on Main Street and asked if Mr. Ricker could

send a link to the tracking form for the Master Plan. Mr. Ricker agrees but cautioned that they purposely did not prioritize items and the plan is fluid and priorities change. He was asked if he could be available for the Capital Reserve discussion and could each item on the Master Plan be given a score in terms of being addressed. Mr. Ricker agreed but also invited Budget Committee members to attend a Planning Board meeting to further discuss these items.

Mr. Ricker took a moment to praise the work of the Housing Commission and stated that the Planning Board would never have gotten as far as it has without the Housing Commission and the many hours that the committee members put in every week.

Vice-chair Beasley agreed that volunteers are critical to accomplishing goals for the Town and asked if they could be celebrated at the Community Gathering.

Other Business

John Wilson asked if there was an agenda yet for the Community Gathering and was informed that there was not one yet by Selectman Casey. The Water Precinct would be there to report on their projects and then they would be looking to open it up to questions.

Vice-chair Beasley reviewed the schedule and noted that Administration would be included in next week's discussion. He stated that Revenue would be added to the January 10th meeting and that Capital Reserve discussion would likely span two meetings.

The next meeting will be held on December 13th.

The meeting adjourned at 8:30 PM.

Respectfully submitted,
Lynn Lewis
Finance Officer