



TOWN OF NEW LONDON, NEW HAMPSHIRE

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NEW LONDON BUDGET COMMITTEE MEETING MINUTES

Wednesday, February 5, 2025

Whipple Memorial Town Hall

6:30 PM

Public Hearing

BUDGET COMMITTEE PRESENT: Chris Lorio (Chair), Lou Botta (Vice Chair), John Wilson, Mark Christensen, Charles Kelsey, Karen Epstein, Megan Brown, John Tilley
Absent: Lyndsay Harkins and Bebe Casey

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

ALSO PRESENT:

Sam Clarke, Department of Public Works Director
Adam Ricker, Planning & Zoning Admin.
Fire Chief Jay Lyon
Rich Epstein, New London resident
Janet Kidder, Selectman
Mary Rakow, New London resident
Richard Tutwiler, Tracy Library Director
Rob Prohl, New London resident
Vickie Stafford

Putnam Kidder, Recreation Director
Police Chief Emily Cobb
Will Kidder, Town Clerk-Tax Collector
Bill Helm, Selectboard Chair
Tom Carley, Library Trustee
Charlene Baxter, New London resident
Ashley Seybold, New London resident
Colin Beasley, New London resident

Chair Lorio called the meeting to order at 6:30 PM and opened the Public Hearing on the FY2026 budget.

Kim Hallquist, Town Administrator, gave a review of the FY2026 budget.

Ms. Hallquist pointed out that employee-related expenses account for more than half of the operating budget. Notable staffing and compensation adjustments include:

- A 3% Cost of Living Adjustment (COLA) for employees.
- An additional 2 hours of part-time help for the Finance Officer and 12 hours of part-time help for the Town Clerk/Tax Collector. These additions are to meet growing workloads.
- One new full-time firefighter.
- Proposal to transition the Welfare Officer from a stipend to a 10-hour/week hourly position.

Warrant Articles include:

- \$60,000 – Tracy Memorial Library exterior repairs.
- \$275,000 – New chassis for the fire department tanker truck.
- \$132,303 – Annual payment on existing fire truck lease.

- \$350,000 – Replacement of self-contained breathing apparatus (SCBA).
- \$40,000 – Refurbishment of historical markers.
- \$25,000 – Website updates.
- \$10,000 – Expendable trust fund to cover accrued employee leave payouts.
- \$955,000 – Purchase 4.0 acres on Seamans Road for a police station and for expenses related to subdivide the land, site investigation and design work. Ms. Hallquist noted that the P&S is nearly complete, there is one adjustment needed to the condition regarding the dark sky compliant lighting to make it clear that the condition applies to any use.

Capital Reserve Fund purchases that are not part of the budget:

These are items that were included in lists during budget preparation because the purchases impact decisions on funding, however, they are not included in the warrant because the selectmen are agents to expend, so they will be able to purchase these items without a vote at town meeting. They include:

- \$268,000 for a backhoe and zero turn mower in the highway department,
- \$60,000 for sidewalk repairs, noting that there has been a lot of discussion and interest in improving the town's sidewalks, so these funds will be available for that purpose,
- \$15,000 for cemetery maintenance, and
- \$163,000 for a utility truck and George's Mills pump station alarm upgrades.

Transfers to capital reserves funds:

These are the town savings accounts.

- \$54,000 for the fire self-contained breathing apparatus, and you'll remember that I talked earlier, we are spending some of that money on some of that equipment this year,
- \$116,000 for the fire vehicle capital reserve fund,
- \$500,000 for the highway equipment replacement capital reserve fund,
- \$100,000 for sidewalks,
- \$200,000 for Tracy library repairs,
- \$100,000 for town building maintenance, and
- \$20,000 for energy projects.

Estimated Tax Rate

Ms. Hallquist explained that the tax rate is made of (1) the taxable value of the town, (2) approved budget by town meeting voters, (3) revenues and (4) the amount the selectmen will decide to use of fund balance to reduce taxes. Since none of those four items is known at this time, the estimated tax rate is just a guess. However, given what we know tonight, the tax rate is estimated to increase by 20%.

Revenues

Lynn Lewis, Finance Officer, explained that the revenues are conservative, there is an opportunity to adjust them in September, when more actual revenue information is available. She noted that Meals and Rooms Tax estimate increased due to consistently higher receipts. Interfund Operating Transfers went from \$9,000 to \$40,000 which was due to a reclassification by the Department of Revenue Administration (DRA).

Ms. Lewis pointed to the summary of revenues as included in the budget packet and the estimated tax rate (page

6). It has been pointed out that there is an error: either a formula's not footing properly or reading a wrong number, likely the result of removing some of the capital items. She believed that the estimated tax rate should be more like \$3.72 not \$3.62 as listed. Ms. Lewis noted that she will look into the issue and determine the cause of the error.

Chair Lorio asked for comments from members and the public.

Karen Epstein commented on the comparative balance sheet dated January 30th. She noted that when the Budget Committee last met, the number under capital outlay vehicles equipment was \$1,025,303, and under that line, improvements was \$75,000. She noted that she wanted to point out in the event that members are trying to align the sheet dated the 29th with the one dated the 30th. The differences are the result of items that were removed as Kim described earlier: the \$60,000 and \$15,000 were moved out, as well as the \$268,000, and that's why you have the \$757,303 versus the \$1,025,303. Also, the \$163,000 under the sewer capital outlay.

Rob Prohl commented that he understood the reasoning behind not funding the Conservation Land Acquisition Fund this year but urged the Committee to consider funding next year in order to be able to save land from development which is consistent with the value to maintain open spaces. Mr. Prohl also commented on the Recreation Department budget and questioned the need to budget for beach attendants when the work of keeping the beach and bathrooms neat does not take that much time, noting that his son was a lifeguard at Elkins and it was part of his job to maintain the beach and bathrooms. Mr. Prohl concluded by noting that there are some large expenses coming up for the town so everyone will need to 'sharpen their pencils.'

John Wilson raised concern about the lack of visibility in some Capital Reserve Fund expenditures that are no longer appearing as warrant articles. He pointed out that a few years ago, the town approved allowing Selectmen to act as agents to expend for certain capital reserve funds, giving them flexibility to act when it was necessary. At that time, the understanding (per his recollection) was that warrant articles would still be presented to keep the public informed of major capital outlays. This year, many significant expenses, especially in Public Works, are not being shown on the warrant. For example, \$268,000 for highway equipment, \$75,000 for sidewalks and cemetery maintenance projects. He believes the public deserves transparency about where and how large amounts of money are being spent and urged the Selectmen to reinstate warrant articles for major capital reserve expenditures so that voters can see and understand the town's spending priorities, even if Selectmen have the authority to spend without a vote.

Final review and approval of the MS-737

Chair Lorio noted that at the last meeting votes were taken on the individual budget lines, however, members could bring up any budget item for discussion and voting tonight, should anyone want to change their votes. There were no requests to reconsider any budget items.

It was noted that the 10% limitation is the maximum amount town meeting voters could increase the budget over what is recommended by the Budget Committee. The amount as included in the MS-737 is \$1,189,307. Voters could decrease the budget as much as they want, but they can only increase the budget by \$1,189,307. Towns with an official Budget Committee, like New London, are limited to how much they can increase the budget over what the Budget Committee has recommended.

John Wilson asked if they would be going through to approve line-by-line as was done in past years. Chair Lorio noted that they could, or they could approve the form as prepared by Lynn that includes all of the amounts approved at the previous meeting, with a total recommended budget of \$13,476,117. He noted that if anyone wanted to change what was approved at the last meeting, they could raise the issue for discussion.

Karen Epstein asked for clarification on what was being voted on given that the individual budget lines were approved at the last meeting. The vote will be to approve the budget in the amount of \$13,476,117. The MS-737 is the form that will be posted with the warrant and is sent to the DRA and will reflect that amount if approved.

IT WAS MOVED (Chris Lorio) AND SECONDED (Lou Botta) to approve the recommended budget in

**the amount of \$13,476,117. Vote on the motion: In Favor: Lorio, Botta, Brown, Tilley, Christensen
Opposed: Wilson, Kelsey, Epstein**

Chair Lorio noted that Lyndsay Harkins was not present at the meeting, however she did vote in favor at the last meeting.

Approval of Meeting Minutes of January 29th

John Wilson suggested changes to Bebe's report on page 2, regarding the two warrant articles that were being considered: one would be for \$400,000 that would include the purchase price was to be \$350,000 plus \$50,000 for additional expenses to purchase the property, and the second one would be for \$555,000 for a total expenditure of \$955,000. Dr Wilson also pointed out that he was listed as abstaining in the vote for the police department budget (page 4) as he inadvertently did not vote on the motion to approve.

Karen Epstein asked that the vote on the recreation department budget (page 6) be amended to reflect that she vote not to approve. She asked that the discussion on page 8 relating to the purchase of the land on Seamans Road be amended to include the fact that the purchase and sale agreement was not finalized and that once it was, it would be made available to the public with the actual language of the contingencies.

There were several typographical errors to be corrected.

IT WAS MOVED (Lou Botta) AND SECONDED (John Tilley) to approve the minutes as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Meeting to review budget process

Chair Lorio noted that Karen has suggested that the committee meet again, before John and Mark leave the committee, to discuss the budget process and areas for improvement. Ms. Epstein further explained she felt that it would be a great opportunity to see what they can learn from John's and Mark's perspective. There could be a discussion of what was learned in this process and ideas going forward and how the committee can identify areas of focus that they would like to look at going forward into the next year and if there's any work that we could be doing in terms of preparing for the budget season coming up for next year.

Charles Kelsey voiced his support of Karen's recommendation. He felt that the committee could benefit from discussions that might suggest ways they could be a more effective body. He noted that this being his second year, he is a little more knowledgeable, but it still feels reactive in the process, and he finds the interaction with department heads to be not as constructive and deliberative as it might otherwise be. He concluded by observing that he would welcome public input, too, and noted that he feels there are some who served on the Budget Committee who decided not to continue to serve because they were frustrated with the process. Mr. Kelsey noted that he feels they are a reactive body, not a strategic body and he thinks they could be more productive and helpful. He observed that there is a lot of very knowledgeable people on this committee, and they are not mining their talent and perspectives in a way that helps shape a really robust discussion around budget. To that end, he would endorse having time as a committee to have a candid conversation around those topics and then see if there's an adjustment in how they approach it that everybody would agree to because it's an investment of time.

Chair Lorio noted his support for additional meetings and agreed that John has a lot of knowledge, as does Mark and Lyndsay from their years on the committee that could be helpful to hear. He noted that over his 11 years on the committee he learned a lot from John. Chair Lorio did not agree with the comments about the committee not being strategic or being reactive or that department heads were not being constructive in their interactions with the committee as he felt that they went above and beyond to assist the committee. Mr. Kelsey clarified that he did not mean to suggest that department heads were not being constructive in their discussions, he meant to say that the discussion they have as a committee could be more constructive if the committee was more engaged in the process, which means more time.

John Wilson suggested that the on-going discussion be held in the meeting to be scheduled, not at the current

meeting.

Chair Lorio noted that he would send out some dates and times for an additional meeting to discuss this topic in more detail.

Charles Kelsey noted that he wanted to publicly thank Dr. Wilson for his 15 years of work and dedication to the town, to the process, and his contributions as a committee member. Chair Lorio agreed and observed that all of the work John has put into the town is spectacular and the time and commitment he has given to the town is impossible to put into words and thanked him. Chair Lorio also recognized Mark Christensen for his 6 years of service to the town. There was a round of applause for John Wilson and Mark Christensen from committee members and the public.

IT WAS MOVED (John Wilson) AND SECONDED (John Tilley) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 7:14 PM.

Respectfully submitted,

Kimberly Hallquist
Town Administrator

Note: RSA 91-A:2, II provides that “*Minutes of all such meetings, including nonpublic sessions, shall include the names of members, persons appearing before the public bodies, and a brief description of the subject matter discussed and final decisions.*” A video of the entire meeting may be available for viewing on the town website, NewLondon.NH.gov, if more than the brief description contained in these meeting minutes is desired.