



TOWN OF NEW LONDON, NEW HAMPSHIRE

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NEW LONDON BUDGET COMMITTEE MEETING MINUTES Wednesday, August 30, 2023 Kearsarge Professional Development Center 6:30 PM

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

MEMBERS ABSENT: Lou Botta and Lyndsay Harkins

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

ALSO PRESENT: John Ellis, Rich Epstein, Karen Epstein, Police Chief Emily Cobb; Bob Harrington, Public Works Director; Will Kidder, Town Clerk-Tax Collector; Fire Chief Jay Lyon; Putnam Kidder, Recreation Director; Crystal Schimpf, Tracy Library Director

Chair Lorio called the meeting to order at 6:30PM.

Selectmen's Report

Selectman Casey reported that the Selectmen's "Summer Gathering" on August 18th was well attended.

FY2025 Budget Preparation Process

Chair Lorio observed that in the past the Budget Committee met jointly with the Selectmen, over several meetings, to hear budget presentations from various departments and organizations. This year the Selectmen plan to change their process and have one full day of budget review on October 27th. After the joint meetings, the Budget Committee would then work on its budget. Chair Lorio noted that about five years ago, the process was that the Budget Committee would wait until the Selectmen completed its process, then receive the Selectmen's budget at the start of its budget review. John Wilson noted that he preferred that way over the joint meeting model. The Committee agreed to wait until the Selectmen finished their budget and then begin the Budget Committee preparation.

There was a discussion of potential meeting dates. It was agreed to start on November 29th then December 6th, 13th, 20th, January 10th and the 17th. Dates could change based on the needs of committee members. The Public hearing will be held on February 14th.

Capital Reserve Funds

Chair Lorio noted that the Budget Committee met with the Selectmen on June 7th to discuss capital reserve funds. He pointed to documents that the committee would review that included a list of all capital reserve funds, their stated purpose and whether the selectmen were appointed as agents to expend along with the list of questions on funds that was discussed at the June meeting.

John Ellis asked what is meant by "agents to expend". Kim Hallquist explained that it means that the Selectmen may expend the money in the reserve fund for the purpose of the fund, without a vote of Town Meeting. She noted that the designation of agents to expend is voted by Town Meeting voters. If the Selectmen are not appointed as agents to expend, expenditures would have to be approved by Town Meeting voters.

Melissa Leintz suggested that the committee go through each fund line-by-line to see if there are questions on each fund. Mr. Wilson asked if all of the questions that were posed at the June meeting would be answered at this meeting, or would it be more effective to form a group of a few Budget Committee members that could meet and then report to the full Budget Committee. He questioned if they would get into a quagmire if they attempted to have that detailed of a review tonight.

Charlie Kelsey asked if agency status could be changed by a vote of Town Meeting. Ms. Hallquist agreed that it could. Mr. Kelsey suggested that agency status and fund consolidation be two things that the committee should look into. Also, whether there should be a formula methodology to determine the total amount in the fund to ensure they are adequately funded. The purpose of the fund and whether the stated purpose is clear enough for all to understand should be reviewed as well as the possibility of new funds. Mr. Kelsey noted that while the group could discuss the funds tonight, there could be value in a smaller group that could meet to discuss those items and come back to the full committee.

The subcommittee was formed: John Wilson, Colin Beasley, Charlie Kelsey and Melissa Leintz. Chair Lorio clarified that the subcommittee report would be a recommendation only and each member could vote however he or she felt appropriate when decisions were made during the Budget Committee budget review. The subcommittee report would be shared with the Selectmen as well. Will Kidder suggested that meetings of the subcommittee be recorded so the discussion could be viewed by interested citizens. It was noted that meetings of the Budget Committee when the report was discussed would be recorded.

The list of capital reserve funds was reviewed. Ms. Leintz questioned the bridge maintenance fund, noting that there has not been much activity lately. Ms. Hallquist pointed out that the most recent bridge maintenance projects: two on Brookside Drive, Pingree and Goose Hole bridges were all completed using loan funds instead of reserve funds. Bob Harrington, Public Works Director, explained the possible use of the funds for maintenance of bridges. He noted that currently there are no "red listed" bridges. Chair Lorio asked how much it costs to repair a bridge. Mr. Harrington noted that repairs could be \$200,000-\$300,000. Ms. Leintz suggested that the fund would not be large enough to pay for those repairs so the funds would likely need to come from loans. It was noted that a combination of reserve funds and loan funds could be used. Colin Beasley asked if Bob has a plan to address all of the bridges in town. Mr. Harrington noted that he inspects all bridges and culverts regularly to keep maintenance up to date. In order to have a plan that looked at all bridges into the future, Mr. Harrington noted that he would prefer to engage the services of an engineer to prepare such a plan.

Mr. Beasley suggested that the Selectmen be appointed agents to expend most, if not all, of the reserve funds. Ms. Hallquist noted that it is up to the voters; in some towns, voters are reluctant to give that authority to the Selectmen and they prefer to make the spending decisions. There was a discussion of whether the stated purpose of each fund is clear enough. Mr. Beasley noted they he felt that the building maintenance fund should be for all buildings and there could be just one fund for that purpose. Ms. Leintz suggested that maintenance should be included in the operating budget.

Mr. Leintz asked about highway equipment, noting that the balance of the account is very high. Mr. Harrington noted that many of the items that will be purchased are very expensive. She also asked what the sewer department is saving for. Mr. Harrington noted that pumps are generally what is needed in the sewer department and they cost \$100,000 - \$300,000 and the generators cost in the hundreds of thousands of dollars as well. Ms. Leintz asked about sidewalks. Mr. Harrington noted that the next big project will be the Main Street sidewalk replacement and that will depend on when the water main project gets underway. Mr. Beasley asked if an engineer had been hired to come up with the estimated cost. None has been hired. There was some discussion of the Planning Board "Main Street Corridor Study" that has been delayed as the Planning Board felt it would be better to have information on the water main replacement project prior to the study. Mr. Wilson asked if the CIP committee had been formed yet. Chair Lorio noted that Charlie Kelsey has volunteered to serve on behalf of the Budget Committee.

There was a discussion of the GIS fund and DPW fund. Ms. Hallquist explained that GIS was related to the tax maps and the project was completed about 5 years ago and the DPW fund was likely created to save money for the construction of the “new” (now 20 years old) public works building. She noted that the GIS fund could likely be discontinued as there probably will not be another GIS project in the future, unlike the Master Plan fund as the Master Plan is updated on a regular basis.

Chief Lyon stated that there is a fire building fund that has no money in it but that was never discontinued. An expansion of the station will be needed before the new ariel will be purchased in FY2032 because it won't fit into the station. He intended to request funds last year to begin saving for the expansion, however, with the need to cut all funds, he felt that it was not prudent to request the funds in the FY2024 budget. Chief Lyon felt that putting funds away for the future expansion is important as it allows transparency to voters that the project is coming up.

Mr. Ellis asked if cost estimates are determined based on future costs. Chair Lorio explained that department heads consider the current cost of the vehicle and then try and come up with projections of future costs. He noted that cutting the payments to the reserve funds for the FY2024 budget means that additional funds will be needed to stay on track.

John Ellis asked if funds could be moved from one reserve to another. Ms. Hallquist noted that they could be if voters approved it.

Ms. Leintz asked what the “Muni Regional Transport” fund was. Lynn Lewis explained that the fund is the \$5 per car registration fee that is paid when cars are registered. She noted that some money will be coming out as approved at Town Meeting.

Mr. Kelsey asked about the amount of money earned on investments and asked if there were opportunities for improvement there. Ms. Hallquist noted that the Trustees of Trust Funds have jurisdiction over the investment of town reserve and trust funds and they will be meeting on Friday if anyone wanted to discuss investments with them.

Ms. Leintz asked about the cemetery funds. Ms. Hallquist noted that there are perpetual care funds that are private funds that can be used only for the plots. There is also a reserve fund for general maintenance that are town funds that could be used for maintenance of the cemetery like the fence that was recently painted and repaired using general operating funds because the selectmen did not want to wait until Town Meeting to request the funds. Mr. Beasley observed that this is a good example of a fund where the Selectmen should be agents to expend so the repairs could have come from the reserve fund.

Mr. Ellis asked when there would be more detailed information on the purpose of the various funds. Ms. Hallquist stated that the sheets giving the purpose of each fund does provide all of the detail that Town Meeting provided when the fund was established. If he had questions about how the selectmen would interpret the purpose, he could ask the selectmen.

Rich Epstein asked how he could find out how much the water main replacement project will cost, could he find the information on the town website. Ms. Hallquist noted that the water precinct will have that information, the town website will include the sidewalk project costs when those costs are determined.

**IT WAS MOVED (John Wilson) AND SECONDED (Hannah Bianchi) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 7:49 PM.

Respectfully submitted,
Kimberly Hallquist
Town Administrator