



TOWN OF
NEW LONDON, NEW HAMPSHIRE

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**NEW LONDON BUDGET COMMITTEE
SUB-COMMITTEE ON CAPITAL RESERVE FUNDS
MEETING MINUTES
Tuesday, September 26, 2023
Syd Crook Conference Room
4:00 PM**

PRESENT:

John Wilson
Colin Beasley
Melissa Leintz
Charles Kelsey

ALSO PRESENT:

Sherri Williams, Library Trustee
Crystal Schimpf, Library Director
Lynn Lewis, Finance Officer
Emily Cobb, Police Chief
Jason Lyon, Fire Chief
Putnam Kidder, Recreation Director
John Ellis, New London resident

John Wilson started the meeting at 4:00

He stated that the purpose of the committee was to determine the need for Capital Reserve Funds, their target size, clarify their purpose, and to see if some could be closed or combined for efficiency. The original guideline for starting a fund was \$10,000 but should that be raised since the costs have gone up. There was a discussion as to the definition of a capital cost and what would fall into that category. Colin suggested that the discussion should not get bogged down on the word capital. These are reserves for a defined need.

John asked if we should change the accounts to authorize the Selectboard as agents to expend. Charlie and Melissa stated that the selectboard should be agents to expend so there is no need to go to Town Meeting when unexpected expenses are incurred.

There was discussion on the purpose of each fund and if that was clearly stated. There was debate about being too specific or being too vague. It was thought that some of the purposes should be changed. John suggested changing the Library Building Maintenance, Communications Equipment, and Highway Department Equipment to be more specific. There was also discussion on changing the purpose of some funds. Charlie stated that it must be a warrant article to change or close a fund. It was pointed out that being too specific in a description of a fund could limit its use when needed.

Colin stated that the reserves might be best if they covered unplanned, or surprise, expenses and planned larger expenses. For example, building maintenance would be covered in the operating budget but planning a new boiler would be something to put money in a CRF over time. If the boiler broke down before ready to be replaced, you could use that fund for repairs.

Jay Lyon concurred and stated that the fire equipment repair fund was for emergencies.

It was suggested that the building funds could be consolidated. The DPW Building Fund, Town Building Fund, and the Transfer Station Improvements. Lynn Lewis suggested that improvements in the Transfer Station may not be to an actual building, and this might limit changes to the Transfer Station.

It was also suggested that the vehicles repair and maintenance funds be consolidated to handle all Town vehicles.

If building capital reserves were combined, a detailed estimate would be needed so the cost to maintain all Town buildings could be used as a metric for how much needs to be in the fund.

It was recommended that some funds could be closed. The Cupola Fund was a resident donation fund and Lynn did not think it could be closed without spending it on the Cupola. It was also asked if the K9 fund could be closed as that had a small balance. Lynn pointed out that the fund is from resident donations. Emily stated that they use the fund for some of Vilo's expenses.

It was suggested that the GIS update fund be closed since it had no money in it.

It was also suggested that the DPW Building Fund be closed and the money rolled into the Town Building Maintenance Fund.

Chief Cobb was asked about the Police Equipment Fund and what its purpose was. She stated that it was originally started to help fund body and dash cams but that has been largely funded by a grant and possibly ARPA funds. It would be used for other equipment necessary to run the department.

They did not recommend closing any of the Fire Department Funds as they were specific in their descriptions.

The Computer Fund was brought up and Lynn stated that Mike Williams asked us to begin putting money in that fund as he had a project in mind. It was agreed that Lynn would reach out to Mike to determine the project and the total cost.

The Master Plan CR was discussed as a possible fund to close. Lynn will reach out to Adam Ricker to find out his plan for a Master Plan update.

It was suggested that equipment funds could be combined, and department heads could give a list of items that would be needed over a five-year period. Jay was concerned that if the funds were combined, it may pit department against department as they vie for the same money. Melissa agreed that it could create an issue and they should not be combined. Charlie said that if departments were vying for the same money, Recreation would lose to Public Safety every time.

The Records Management fund was started but nothing has been done. Colin stated that if the Town approved the expenditure, it should be spent. It was suggested that Kim begin the process of moving forward with this project.

It was pointed out that any expense that can be annually forecasted should come from the budget, any expense not forecasted would come from the Capital Reserve accounts, and large ticket items would be planned for and paid from the Capital Reserves.

There was discussion on the Conservation Land Acquisition fund and what the cap should be. Charlie stated that the Conservation Commission had several pieces of land that they would like to acquire and want to be ready if they come to market. The Commission is looking to build the fund over the next ten years.

The Energy Committee was discussed next, and Charlie pointed out that Tim Paradis had recently discussed the plan to purchase more solar projects.

It was agreed that all committee chairs should be accountable for a plan for the money in their funds. Projections for the use of the money should be provided to the budget committee.

It was suggested that we close the Recreation Van Trust. Lynn stated that she would check with Joe Kubit, Trustee of the Trust Funds, to see if there were limitations on this fund.

The Tracy Library Fund was discussed, and Crystal Schimpf stated that the fund was specifically for operations of the Library and only the interest from the fund could be used. She was asked if the Library took those funds. She stated that Tracy Library receives a check regularly to help fund operating expenses.

John Wilson asked if there should be limits on the Town Building Maintenance Fund. Colin suggested that Bob Harrington and Phil Sherman should put together a list of Town buildings and find the formula to determine how much should be put aside for maintenance and repairs. That would be the guide to funding the capital reserve.

John Wilson asked if any additional funds should be created. Charlie suggested that there might be a future need for a Technology Fund. Colin stated that we may need to look at the interaction of our residents and technology, but we might not need to start the fund now. Melissa agreed that we should start a fund when there is an actual need.

For the next session, it was recommended that each fund be reviewed with two questions in mind: Is the purpose of the existing reserve fund clearly stated and should any fund be closed.

The meeting adjourned at 5:56 PM.

Respectfully submitted,
Lynn Lewis
Finance Officer
Town of New London