



TOWN OF NEW LONDON, NEW HAMPSHIRE

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Capital Reserves Subcommittee Meeting Meeting Minutes of October 19, 2016

BUDGET COMMITTEE MEMBERS PRESENT: Rob Prohl (Chair), Nancy Rollins (Board of Selectmen's Representative), Phyllis Piotrow

STAFF PRESENT:

Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

OTHERS PRESENT:

Richard Lee, Public Works Director
Bruce Hudson, Budget Committee Member
Joe Cardillo, Budget Committee Member
Jason Lyon, Fire Chief

Chair Prohl called the meeting to order at 7:00pm. He noted that there were three voting members of the subcommittee: himself, Nancy Rollins (Selectman), and Phyllis Piotrow. He also indicated that the plan they come up with is only a suggestion to provide to the Select Board. The Budget Committee will then have a final look at the plan in January. He hopes the work they are doing will save some work for other groups in the future.

General Government

Chair Prohl said the first item is Town Building Maintenance. There is nothing included currently for Whipple Hall; should they add money into the fund? Ms. Johnson noted that the painting costs for Whipple Hall can be removed from the list, as they have paid for it in the current year's budget

Additionally, the Board of Selectmen may recommend paying for Fire Station repairs of \$37,000 from the Town Building Maintenance Capital Reserve Fund in FY2018.

Selectman Rollins feels they should consult the study done by Dennis Miers, P.A., which shows recommended repairs to Whipple Hall. Mr. Lee said they have an estimate for about \$30,000 to do the repairs to the shingles on the roof at Whipple Hall. They are having a hard time finding someone to work on the slate roof. Chair Prohl suggests the possibility of putting \$50,000 in the account for Whipple each year to spend on eventual repairs/upgrades. Ms. Piotrow said they can either do maintenance projects, major repairs, or determine what the major plan for the building is before spending a large amount of money. Chair Prohl said until they have a plan developed, they won't know what they will need to spend. At that time will they prefer to bond for the project, or save now to cut down on what they will need to borrow.

Selectman Rollins said it would be worthwhile to take the Dennis Miers report and take out what has already been done. The life safety measures he suggested were over \$51,000. Mr. Lee said they should

plan to get the gutters and the slate roof repaired. Later on, they can make repairs to the front portion of the building.

Selectman Rollins said they need to determine where Recreation and Dispatch will be located in the future. This will help determine how they address the issues at Whipple Hall. She would like to see another engineering report done to determine what the best plan would be to make the building functional for the next several years.

Selectman Rollins believes it is appropriate to put in \$20,000 into the capital reserve to save for the work needed at Whipple Hall. Chair Prohl said he is inclined to put \$50,000 in the fund. Mr. Hudson recalls a discussion about bonding for all the unfinished projects to the tune of about \$2 million dollars. Selectman Rollins said this idea is not off the table at this point. Chair Prohl said they don't want to bond too much at once because if something comes up that is an emergency they may not be able to bond for it. Ms. Piotrow doesn't think the Town will be able to solve their space problem this year and feels the best way to prepare for upcoming costs is to put money aside now.

Computer Maintenance

Ms. Johnson said they have been transferring money to the Computer Maintenance account in anticipation of having to replace something such as a server. The account currently has \$21,000 in it, which is enough should they need to make such a purchase. The fund would not need to be funded in the upcoming fiscal year. Ms. Hallquist noted that this fund is for unforeseen computer issues (such as a failed server).

Master Plan

Ms. Johnson said in 2022 they will need to do another master plan, which will cost about \$50,000. The funds pay for consultants to help the Town prepare the Master Plan. Ms. Hallquist said it is recommended that Master Plans are done every 10 years. Selectman Rollins said the Master Plan is the technical details of the mechanics of the town. It is very detailed, which is why they need to hire someone to help. She recommends leaving the \$5,000 deposit in the fund.

Regional Transportation Improvement Fund

Ms. Johnson said the 2009 Town Meeting voted to allow the collection of \$5 from every motor vehicle registration. A Municipal and Regional Transportation Improvement Fund was established per RSA 261:153, VI. It is meant for transportation-type projects. It can be used for paving, sidewalks, and roads. Ms. Johnson said that about \$20,000 per year is deposited into this account from registrations. It was decided that once they learn more about the guidelines for using this money, they would wait to determine where it could be used.

Fire Vehicles

Chief Lyon said he would like to change the cost of the replacement tanker to \$550,000. In FY2018 he recommends a transfer of \$150,000 into the Fire Vehicle Capital Reserve Fund, and then the next fiscal year it would be \$120,000. Right now, the tanker he would like to purchase is \$540,000. Chief Lyon said they plan to keep the old tanker when they purchase a new one. This will enable the department to have a second piece of apparatus that flows water should they need to be at two events at once. Two tankers will help lower their insurance ratings by providing enough gallons of water at a fire. The current tanker is the only apparatus that can reach some spots in New London. There is room in the station to fit all of these apparatus. Chief Lyon said he has drawn up some plans to modify some doors on the spare bay to fit a large apparatus. This isn't something they plan to do until the next ladder truck is due to be purchased.

Chief Lyon said \$37,000 is a quote they have to replace the trim on the fire station, which is a faulty product that has shown considerable rot near any jointed areas. It is \$23,958 to replace all the trim with synthetic material. This would also include the Hardy Board (also a synthetic product), which has not held up well and needs to be replaced. Replacement of doors and panic hardware for the building are also included in this \$37,000 amount.

Town Vehicle and Equipment Repair Fund

A FY2018 contribution of \$12,000 will bring the balance to approximately \$36,000. The fund is established for emergency repairs for any town vehicle. \$36,000 was the cap and no further contributions are anticipated.

Fire Breathing Apparatus

\$10,000 was agreed to be appropriate.

Radio Replacement

\$15,000 was agreed to be appropriate.

Dispatch Equipment

Ms. Johnson said she put in \$5,000. Chief Lyon said Chief Andersen had requested the same amount that was put in last year. Last year it was \$34,000. Selectman Rollins asked if the Town is priming the member towns for their eventual participation in paying for administrative and overhead costs of dispatch. Chief Lyon said if they increase more than they currently have, towns may choose to shop around. The current group of customers they have are there because of the relationships they have with the surrounding towns with regard to mutual aid. The Town of Newbury may pay for the 50/50 cost share of the repeater site on top of Mount Sunapee. Although it may benefit the Town of Newbury the most, it will benefit all of the users. They are all trying to work together but he doesn't feel there is a huge push to increase the dispatch costs to the users. Chair Prohl said it would be helpful if Chief Andersen were present to discuss this aspect of the budget. Ms. Hallquist said Chief Andersen was at a training but would be able to get there in about 30 minutes if they would like her to contact him.

Mr. Cardillo recalled that they were going to roll in the administration and capital reserves for all the users to help pay for dispatch. The argument was that they would get the service up to speed and then have all the towns share in the costs. He was confused as to how this would be presented to the taxpayers; that New London is still paying more than every other town. Chair Prohl said the towns need to understand that New London can't continue to subsidize these costs.

Ms. Piotrow asked if any other towns have shown interest in joining the service. Chief Lyon said Springfield is one possibility as they are contiguous to New London.

Bridge Repairs

Chair Prohl noted that one proposal from Mr. Lee is to put \$75,000 in, going forward until 2027. Another proposal could be to bond for these projects. He asked Mr. Lee what the plan is for 2018. Mr. Lee said he didn't have anything specified for 2018. The second site for 2019 at Brookside Drive and the Pingree Road bridge could be done later. Goose Hole will be an expensive project and they may want to bond for that one. He hopes to get bridge aid funds to do the Goose Hole Road bridge in 2027; there are no bridge aid funds available until then.

Sidewalks

Chair Prohl said the CIP plan had a proposal for a Parkside Road sidewalk project. Mr. Lee gave a brief description of this project, which would be extensive in order to get a sidewalk installed on a very narrow

road. He said he would like to put \$30,000 in this sidewalk fund each year; he doesn't feel it is his position to say which sidewalk project should be done first as there are several. Some money may be able to be used from the car registration fund to help with these projects. The cooperation from the college will be necessary to help with a sidewalk on Seamans Road.

Heavy Equipment

Mr. Lee would like to leave it at \$269,510. He is having a problem finding a used sweeper for \$60,000. The best price he can find is \$115,000. Selectman Rollins asked if the sweeper is the kind of vehicle that can be used with another town. Mr. Lee said they might not share it but perhaps could offer their services with the sweeper to make a little revenue back for the Town. He doesn't wish to get into the sweeper business, but it could be done. They are trying to get their own sweeper because it costs less to do so than to contract for it. Additionally, they can use it when they want to if they have their own; they don't have to wait for the times that work for the contractor. Selectman Rollins asked Mr. Lee to ask some surrounding towns to see if there was any interest in this service.

Gravel Roads

\$50,000 is the amount requested for FY18. Chair Prohl asked if paving should be accelerated by bonding instead of saving over time. Selectman Rollins thinks things need to be prioritized and bond the things they can to get them done. She feels paving is lower on her list than other things. Mr. Lee would like to have a lot more money put into this line, but he understands the need for other things. He feels that this program is a commitment; if he tells people that their road is going to be paved and then the funding levels change and their road is pushed off several years, they get very angry. Some people have been waiting for their road to be paved for 20 years. He recognizes there are many priorities in the Town.

Pleasant Lake Dam

Ms. Hallquist said construction estimate is \$440,000 in addition to oversight costs. Mr. Lee cautioned using this early estimate by the engineers; oversight is generally 15% of the project total. He anticipates the cost to be at least \$500,000. The \$250,000 for the following years (FY18, FY19) would be removed if the project is bonded.

Sewer Lagoons

\$133,000 is the amount needed for this. Chair Prohl suggests perhaps putting this in a bond. Selectman Rollins thinks this is a good idea but she is concerned with the phosphorous issue. Until the Town meets with Dave Bailey, she isn't sure what they could do. Mr. Lee said the phosphorous affects the water, not the sludge. He doesn't think this will affect the cost. The \$133,000 would be removed from the plan with anticipation of bonding.

Sewer Department

Mr. Lee said he thinks the numbers listed are OK. FY18 will have a new amount added to replace a generator at the Job Seamans Acres pump station. He estimates it would be \$24,000.

Land Acquisition

No money will go into this fund; there has been no request from the Conservation Commission. Ms. Piotrow feels as a matter of principal, they should put some money into this fund each year.

Recreation Facilities

Chair Prohl said there was nothing that needed to be spent for the future so he didn't think funds needed to go into the account. Ms. Hallquist reported that Selectman Kidder had suggested beginning to save for a new Recreation van. Selectman Rollins recommends pulling the \$5,000 out of the account, as there was nothing in the budget they appeared to be saving for. She was curious as to what the lease is on the van;

and noted that it didn't appear to be very well built when they went on the ride around town to see the town projects. She also feels there is a large amount of unused space in the front, near the driver.

Chair Prohl asked what the increase in the tax rate would be if they did the things they just discussed, assuming a 3% increase in the budget and the cost of the bond. Ms. Johnson said it would be a 6% increase in the tax rate. It would be an increase of around \$.30 per thousand. Chair Prohl said to bring this down, they could bond for more items and taking the amounts out of the Capital Reserves. Ms. Piotrow feels this is merely kicking the can down the road. Mr. Hudson disagrees; it gets the projects done sooner, and they can pay for it over time. He thinks the Town needs to be better at managing projects, for example, the bandstand.

There was discussion on space needs for the Town; Mr. Lee feels everyone needs to sit down and discuss what is needed for the Police Department and the Recreation Department, specifically. Ms. Hallquist said the school district welcomes the Town's involvement using the library/cafeteria space at the SAU building.

Rather than try to bond more money, at this point Chair Prohl recommends they stay where they are.

The Chairman declared the meeting adjourned at 7:35pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London