



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## **Budget Committee Meeting Meeting Minutes of January 18, 2017**

**BUDGET COMMITTEE MEMBERS PRESENT:** Rob Prohl (Chair), Phyllis Piotrow (Vice-Chair), Joe Cardillo, Colin Campbell, Bruce Hudson, Tyler Beck, Lyndsay Lund (via Facetime), Chris Lorio, Suzanne Jesseman, Nancy Rollins (Board of Selectmen's Representative)

### **STAFF PRESENT:**

Kimberly Hallquist, Town Administrator  
Wendy Johnson, Finance Officer

### **OTHERS PRESENT:**

Richard Lee, Public Works Director  
Ed Andersen, Police Chief  
Donna Larrow, Police Chief Administrative Assistant  
Peter Bianchi, New London Resident  
Brian Carey, New London Resident  
John Wilson, New London Resident  
Jay Lyon, Fire Chief  
Steve Ensign, Board of Firewards  
Bill Helm, Board of Selectmen Chair  
Sandra Licks, Library Director

Chair Prohl called the meeting to order at 7:00pm.

It was noted that board member, Lyndsay Lund, was requesting to join the meeting that evening via "Facetime" as she could not be there in person. When Ms. Lund called into the meeting, Chair Prohl asked her to state why she was unable to be present at the meeting in person. Ms. Lund said she was in Florida for work. Chair Prohl asked Ms. Lund if there was anyone else present in the room with her. Ms. Lund responded that there was not. Chair Prohl noted that each vote on a motion taken that evening would need to be a roll call so that Ms. Lund could be sure of the vote status.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Suzanne Jesseman) to allow Lyndsay Lund to participate in the meeting via "Facetime." THE MOTION WAS APPROVED UNANIMOUSLY. Chris Lorio: YES; Tyler Beck: YES; Colin Campbell: YES; Suzanne Jesseman: YES; Phyllis Piotrow: YES; Rob Prohl: YES; Bruce Hudson: YES; Joe Cardillo: YES; Nancy Rollins: YES**

### Approval of Minutes

*January 11, 2017*

**IT WAS MOVED (Bruce Hudson) AND SECONDED (Joe Cardillo) to approve the minutes of January 11, 2016, as amended.**

**Chris Lorio: Yes**  
**Tyler Beck: Yes**  
**Colin Campbell: Yes**  
**Suzanne Jesseman: Yes**  
**Phyllis Piotrow: Yes**  
**Lyndsay Lund: Yes**  
**Rob Prohl: Yes**  
**Bruce Hudson: Yes**  
**Joe Cardillo: Yes**  
**Nancy Rollins: Yes**

**THE MOTION WAS APPROVED UNANIMOUSLY.**

Selectman's Report – Nancy Rollins, Selectman

Selectman Rollins said there was no report because the Selectmen had not met since the last Budget Meeting.

Selectmen's Capital Spending Plans – Bill Helm, Select Board Chair

Mr. Helm wanted it made clear that Nancy Rollins, Selectman, was at that night's meeting as the Selectmen's representative to the Budget Committee and nothing they say that night is on behalf of the Selectmen. This was not a posted Selectmen's meeting; they are representing themselves that evening, not the Board of Selectmen.

Mr. Helm referred to a list of projects that he had distributed to the Budget Committee. It was an overview of what projects had been discussed over the year by the Selectmen in an effort to formulate a prioritized list. The list included the 1941 Building, items from the CIP report, Capital Reserve projects, and bonding projects. It was noted that the Elkins Bridge railing repair (\$45,000) was moved from inclusion in the proposed bond and funds were proposed to be taken from the Municipal & Regional Transportation Improvement Capital Reserve Fund.

As of January 9<sup>th</sup> there were five projects the Selectmen chose, which added to \$855,000 for a proposed bond. The Town has struggled with what to do with Whipple Hall, the Recreation Department offices, and the Police Department location. There are questions about where these departments will best be housed and how to go about making these decisions. Other things on their list, not intended for this bond, are sidewalks recommended in the CIP (Parkside Road in particular), and two Main Street sidewalks. These are projects that have been scheduled years out into the future. Mr. Lee has proposed that the amount of \$196,700 would pave six short gravel roads that could be cleaned up for better maintenance in inclement weather. This is also something that is scheduled out over the next 10-20 years. There are two major bridge projects, a second culvert on Brookside Road, and the Pingree Road Bridge that need to be considered. These projects could also be accelerated with the use of a bond instead of waiting. Mr. Lee offers that with regards to Whipple Hall repairs, there is no sense spending money inside the building until they know what they will end up using it for. The outside (roof) will be repaired, however.

Mr. Helm said he walked through the old middle school with a contractor who said it would cost \$100,000 - \$125,000 to make the library into offices with restrooms, etc. They are also requesting to take \$25,000 from the Transfer Station Improvement capital reserve fund to study the transfer station to find out what they should do with it. There is another \$2.5 million dollars in projects to spend in the future. These projects are all scheduled out but could be bonded for in 2021. Mr. Helm reminded everyone that due to weather conditions, they have only 4-5 months per year they can complete these projects and they

don't want to attempt too much all at once. At the next Selectmen's meeting on January 23<sup>rd</sup> they will take some votes and decide what to do.

Mr. Lorio said the \$855,000 takes care of some of the things on the list. He wonders why not do the sidewalks now, instead of in 4-5 years. Some of these other projects could be done with a little more bonding now. Mr. Helm said he doesn't think they should put too much on their plate just because there is money available to get them done. The projects are scheduled out and they have a plan to get them done eventually. If the Budget Committee feels they should spend more, he would be interested in learning how and why. Mr. Lorio sees a cost savings now to do as much as they can now versus waiting a few years when the interest rates are higher.

Mr. Lee said they will be doing the Cottage Lane/Seamans Road sidewalk and the roof on Whipple Hall. They could probably add a couple more projects but he needs to know what they want to do. He needs lead time to prepare and plan for projects. It depends on the projects they want. Some projects they only need to prep for a contractor to do the work (road paving), versus projects that the Public Works Department does alone, for example the sidewalks.

Mr. Lorio doesn't think they should take a bond for \$2.5 million, but he sees some projects that could be completed sooner rather than later by borrowing a little more than the \$1 million the Budget Committee voted on at the last meeting.

Chair Prohl feels that they should be cautious about adding a lot of expensive, big projects all at once. He proposed putting \$102,000 into the bond instead of using the Town Building and Maintenance Fund to get the jobs done the Selectmen wanted to do. Mr. Helm said the Selectmen wish to put \$50,000 into this fund each year; they weren't planning on depleting it.

Ms. Piotrow asked about the paving possibilities; are any of these scheduled to be done right away? Mr. Helm said one is in 2020, one in 2023, one in 2026. Ms. Piotrow said the maintenance of paved vs. gravel roads is much less and they can save money by having them paved.

Mr. Cardillo has a problem grasping at straws and picking projects just to get to a million or 1.5 million dollars for a bond. The Board of Selectmen have come up with \$855,000 worth of projects. They have a good number for the Pleasant Lake Dam and the lagoons. He agrees with the philosophy that when they retire debt it is a good time to replace it to fund some things. 2021 is the next time to retire enough debt to do some more projects. He wants to do this properly. Mr. Cardillo said the Goosehole bridge is not red-listed by the State and they are not being forced to replace it. He also wonders about the roof replacement on the Academy Building being \$275,000; they have just one estimate. They have had to answer to taking a low bid and ending up spending more in the past. Mr. Helm said the number they got for the roof will be adjusted before Town Meeting and was provided by a respectable company. Mr. Cardillo said he is more inclined to look hard at how much they should bond.

Ms. Lund said she respects Mr. Helm and the Board of Selectmen and doesn't think the role of the Budget Committee is to problem-solve the numbers; it is their role to finance the numbers. They shouldn't have to ask an engineering firm to get another quote for a project; that is the job of the Board of Selectmen/CIP Committee and Richard Lee. She feels the conversation is getting convoluted. Mr. Cardillo agrees; he is trying to open up the discussion that they need other estimates. Chair Prohl said the Budget Committee could just decide not to fund the project; they have that authority.

Mr. Lee said Trumbull-Nelson wasn't hired to do the job; they were asked to give an estimate. Others will be able to bid on this project after the Board of Selectmen decide to go through with the project. The estimate was obtained for budget purposes only.

Ms. Piotrow recalled at the last meeting they commented that the number had to be flexible and the warrant article should be written in such a way that other projects could be completed with remaining funds if that was the case. Mr. Cardillo said they can't legally spend money unless it is identified by specific projects. He feels they should pick the five projects they can get done easily in the time they have. He asked about a "New Facility Study." Mr. Helm said this is to try and determine what the facilities might be for Recreation and the Police Department within Whipple Hall. It is hard to make a decision without facts and figures. The Board of Selectmen, by themselves, don't have the wisdom or technical knowhow to make these decisions. This is similar to the \$25,000 they want to use for the Transfer Station study; they will only be able to spend up to a certain amount per the wording in the warrant.

Chair Prohl said they have a heat problem at the Academy Building; melting snow causes ice dams on the roof. Is the solution to this problem a \$275,000 project or could there be a different solution that costs less? Chair Helm feels they should get the project done the right way, right now and not keep pushing it off.

Mr. Ensign is struggling with the process; last week they put in a placeholder because otherwise there was nothing. Now the Board of Selectmen have a number. The Budget Committee's debate is on the \$855,000 that the Selectmen came up with. There is an opportunity due to low interest rates to borrow more. The Budget Committee is encouraging the Selectmen to rethink the \$855,000 and see if there is an opportunity to change the number. This is the number they are left to work with. The Budget Committee isn't there to debate the order of projects and the process. Mr. Ensign said they should just be using the list the Selectmen have; they can't add things to it. Chair Prohl said they need to take some votes on the projects in front of them and then decide if there are additional projects to add.

Mr. Bianchi said it is the Budget Committee's budget that is voted on at Town Meeting. The Budget Committee's job is the dollars and their best estimate; to listen to what the Board of Selectmen have recommended and decide on whether their decisions can be afforded by the Town. He doesn't think that the Budget Committee should be a policy-making board and dictate to the Selectmen what projects they should be doing. They can make recommendations to the Selectmen, but it isn't their job to redo what the Selectmen have already spent a lot of time doing. The Budget Committee is elected to look at the financial recommendations the Town is making through their Board of Selectmen, who are reasonable and can be supported. The Selectmen spent a lot of time working on this. The Budget Committee approves a number and are not supposed to worry about how they go about the projects or what kind of roof they should put on the Academy Building, for example.

Ms. Piotrow said last week they voted for a placeholder of \$1 million dollars. She thinks the question for them at this point is whether they feel more funds should be put into the bond for paving. Their job is to identify the projects they think should be included in the bond.

Ms. Jesseman recalled that at the last meeting they said they would continue a discussion about the \$1 million dollars at the reconciliation meeting; they didn't say anything about specific projects. Mr. Cardillo said it isn't their job to pick the projects; the Board of Selectmen already put in the time to decide these things. He would be inclined to trust the work the Selectmen have done and maybe sharpen their pencils a little, than to decide what projects to add. By them making these assumptions about additional projects, they are stepping on Mr. Lee's toes. He wouldn't want to exceed the \$855,000 that night. Chair Prohl thinks their job is to come up with a budget. They have a \$1 million dollar placeholder for a bond. Perhaps this should be reduced but they should decide if they want to add anything to it.

Ms. Lund believes her intention was to give the \$1 million dollar figure back to the Board of Selectmen to decide what other projects could be added to the bond. Mr. Lorio said they decided on the \$1 million based on the amount that was maturing.

Mr. Lorio said they can potentially add some things into the bond for a low figure and cost savings; why not add some projects now? He would add the Parkside sidewalk, and \$196,000 for gravel road paving., and \$100,000 for the projects earmarked from the Town Building Maintenance Fund. This brings them to \$1.3 million dollars.

**IT WAS MOVED (Chris Lorio) AND SECONDED (Lyndsay Lund) to amend the \$1 million dollars proposed bond to \$1.3 million dollars to include the sidewalk from Parkside to the Outing Club, \$100,000 for projects previously identified as coming out of the Town Building Maintenance Fund, and \$196,000 for gravel roads.**

Mr. Helm said it would be helpful to the Selectmen to know what number the Budget Committee comes up with for borrowing, including debt service. The Board of Selectmen can then discuss that number and whether or not there are projects they can add that would make sense. \$1.3 million is the cost of the projects proposed by Mr. Lorio; the debt service needs to be determined. Ms. Johnson said a \$1 million bond would be almost the same for debt service and principal as the bond they are retiring. Mr. Lorio said there is an opportunity for cost savings and he feels now is the time to borrow a little more without increasing their debt to a high extent. Mr. Cardillo said last year they couldn't complete all the projects they wanted to with the money they got in the bond. He feels the Board of Selectmen should determine the projects for the bond. It is not the Budget Committee's job to determine what projects are to be done.

**IT WAS MOVED (Joe Cardillo) to approve \$855,000 for the projects the Board of Selectmen has suggested for the bond.**

There was no second to the motion.

Mr. Lorio said he has a motion on the floor to vote on first.

Ms. Lund asked the input of Selectman Rollins on the figure of \$1.3 million dollars. Selectman Rollins feels this would be too much to have on their plate especially considering the change of a Public Works Director in the next year. That was her personal opinion and not the opinion of the Selectmen.

Mr. Bianchi said the \$70,000 for the Goose Hole bridge engineering should be eliminated; the bridge is not red-listed. If it were, the Town has shown good faith with \$140,000+ to show they have the money to do a study. He doesn't think this should be put into a bond when they have the money already in the bank. This could be removed from the \$855,000 the Selectmen came up with. He respects Mr. Lee's opinion about how to go about getting put on the list for funding, but thinks there is another way to go about getting the study done.

Chair Prohl called for a vote on the motion by Chris Lorio. He said a "YES" vote would be in favor of increasing the bond to \$1.3 million dollars from \$1 million dollars.

**Chris Lorio: Yes**  
**Tyler Beck: No**  
**Colin Campbell: No**  
**Suzanne Jesseman: No**  
**Phyllis Piotrow: Yes**

**Lyndsay Lund: Yes**  
**Rob Prohl: No**  
**Bruce Hudson: No**  
**Joe Cardillo: No**  
**Nancy Rollins: No**

**THE MOTION FAILED: Yes 3 – No 7**

Mr. Cardillo said the Board of Selectmen can explore the possibility about the bridge funds and how they can get in the queue.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Bruce Hudson) to not go beyond the \$855,000 the Board of Selectmen presented.**

Ms. Jesseman said they already voted on a million dollar bond and Mr. Cardillo abstained from the vote at the previous meeting. Mr. Cardillo said he didn't vote because he needed more information. The Board of Selectmen has done the legwork. He would vote on the bond amount after the reconciliation meeting, when they have backup of why the amount has been set at a certain number.

Mr. Beck agrees with Mr. Cardillo. A million dollars is what the Town can afford but the \$855,000 is what they have at hand that they can vote on now. He urges the Board of Selectmen to go back and see if there are other projects that can be added in prudently to get around a million dollars.

Mr. Campbell said he agrees with Mr. Beck. The Board of Selectmen deserves their respect and trust to spend the money prudently and wisely. Mr. Beck said it isn't up to the Budget Committee to make decisions on which projects are the most important to the town.

Chair Prohl called for a vote on the motion and noted that a "YES" vote is for the bond amount of \$855,000.

**Chris Lorio: Yes**  
**Tyler Beck: Yes**  
**Colin Campbell: Yes**  
**Suzanne Jesseman: No**  
**Phyllis Piotrow: No**  
**Lyndsay Lund: No**  
**Rob Prohl: Yes**  
**Bruce Hudson: Yes**  
**Joe Cardillo: Yes**  
**Nancy Rollins: Yes**

**THE MOTION PASSED – Yes:7- No:3**

*Review of FY2018 Budgets*

**Additional Expenses for Hiring of Mr. Lee's Replacement**

The amount requested by the Selectmen is \$20,000. These funds can be used for moving expenses, or the overlap of wages. It is not to pay for a service to help the Town find a replacement for Mr. Lee.

Mr. Beck wonders whose discretion the money would be spent under. It was noted that it would be spent under the discretion of the Board of Selectmen. Selectman Rollins said they are hopeful to have a month or two overlap to help train the new person. It is meant to cover mostly salary overlap with two people.

Ms. Piotrow said the discussion of health insurance was brought up at the last meeting. Have the Selectmen reached any decisions on this yet? Selectman Rollins said they had not but will decide on the January 23<sup>rd</sup> meeting. They also have a proposal to consider relative to salary.

Mr. Cardillo said they postponed their votes on certain things to wait for final numbers having to do with salaries/insurance. Ms. Hallquist said they can wait until February 1<sup>st</sup> to vote at the reconciliation meeting if they don't want to vote on these things right now.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Chris Lorio) to approve \$20,000 for the Highway Department Director transition.**

**Chris Lorio: Yes**

**Tyler Beck: Yes**

**Colin Campbell: Yes**

**Suzanne Jesseman: Yes**

**Phyllis Piotrow: Yes**

**Lyndsay Lund: Yes**

**Rob Prohl: Yes**

**Bruce Hudson: Yes**

**Joe Cardillo: Yes**

**Nancy Rollins: Yes**

**THE MOTION WAS APPROVED UNANIMOUSLY.**

Chair Prohl asked about the grinding of brush which was \$8,000 in the budget. Mr. Lee said he thinks they spent \$6,000. He thinks some could be removed from this amount. Ms. Johnson confirmed that they have spent \$3,890 so far in FY2017. Mr. Lee said the line can be dropped to \$5,000.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Bruce Hudson) to reduce the grinding line from \$8,000 to \$5,000.**

**Chris Lorio: Yes**

**Tyler Beck: Yes**

**Colin Campbell: Yes**

**Suzanne Jesseman: Yes**

**Phyllis Piotrow: Yes**

**Lyndsay Lund: Yes**

**Rob Prohl: Yes**

**Bruce Hudson: Yes**

**Joe Cardillo: Yes**

**Nancy Rollins: Yes**

**THE MOTION WAS APPROVED UNANIMOUSLY.**

With regards to the Dispatch budget, Chair Prohl asked if they would be purchasing the chairs from this year's budget or next. Chief Andersen said it depends on where they fall at the end of this year as well as

the life expectancy of the chairs a year and a half down the road. He won't know for sure if they will need to be replaced. Chair Prohl said it sounds like they need to keep the \$10,000 in the budget for this expense.

Mr. Bianchi said the final vote comes at the final hearing after the public has a chance to weigh in.

Chair Prohl thanked Bill Helm for coming to the meeting to explain the work the Selectmen had done.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Suzanne Jesseman) to adjourn the meeting.**

**Chris Lorio: Yes**

**Tyler Beck: Yes**

**Colin Campbell: Yes**

**Suzanne Jesseman: Yes**

**Phyllis Piotrow: Yes**

**Lyndsay Lund: Yes**

**Rob Prohl: Yes**

**Bruce Hudson: Yes**

**Joe Cardillo: Yes**

**Nancy Rollins: Yes**

**THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 8:30pm.

Respectfully submitted,

Kristy Heath, Recording Secretary  
Town of New London