



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## **BUDGET COMMITTEE MEETING MINUTES Wednesday, December 5, 2018 7:00 PM**

**BUDGET COMMITTEE MEMBERS PRESENT:** Rob Prohl (Chair), Joe Cardillo (Vice Chair), Phyllis Piotrow, Lyndsay Lund, Lauren Snow Chadwick, Mark Christensen, Suzanne Jesseman, Jerry Coogan, Chris Lorio

**STAFF PRESENT:** Kimberly Hallquist, Town Administrator; Wendy Johnson, Finance Officer

### **OTHERS PRESENT:**

Jay Lyon, New London Fire Chief  
John Raby, New London Resident  
Linda Nicklos, Town Clerk  
Jamie & Lisa Hess, Energy Committee

Chair Prohl called the meeting to order at 6:33 PM.

### **Approval of Meeting Minutes of November 19, 2018 joint meeting**

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Phyllis Piotrow) to accept the minutes from the November 19, 2018 meeting. THE MOTION WAS APPROVED.**

### **Jamie Hess, Energy Committee**

Chair Prohl announced that the Selectmen are proposing that there be a capital reserve fund for Energy projects and noted that he asked the Chair of the Energy Committee to come before the Budget Committee to give an update on what they are working on.

Jamie Hess, Chair of the Energy Committee, informed the Committee that the Energy Committee is moving forward on many different fronts and they are motivated in part by a desire to help the town of New London and its residents save energy and money. They achieve this through the adoption of energy efficiency and renewable energy in ways that make economic sense.

Mr. Hess explained that there are two areas that the Energy Committee is focusing on.

First, reducing the town's electric bills by using more efficient ways of using electricity. They would like to convert as much lighting as possible to energy efficient LED's. They are working closely with Tracy Library on a project to upgrade the entire library to LED lighting. This will require an investment, but it will not come out of the town's budget. It is funded through Eversource and through a combination of rebates and paying for the project through the electric bill; there is zero cost until the system is paid off. After that they will save money on the electric bill every month. This could be a test case for what can be done for all town facilities to upgrade the lighting and save as much as 2/3 on the lighting portion of our electric bills. There are also efficiency opportunities in ceiling insulation and heating systems, but these are not being targeted yet.

The second big project they are working on is replacing fossil fuel generated heating and electricity with renewable energy. They have found a developer to put in a large solar array for the town which would provide 1/3 of the town's electricity needs with no cost to the town. This is done through a power purchase agreement. A group of outside investors own the system and over a period of six years the investors can recover a large part of their investment and once this six-year period expires, they will offer to sell the system to the town for a reduced price. The upfront cost of the system is approximately \$450,000. The reduced price after six years would translate to approximately \$150,000-\$180,000. From this point on, the owner gets free electricity from a maintenance free system whose efficiency only degrades by about .5% per year. There is very little maintenance with these systems and would be a good investment for the town. This would allow us to start moving towards the warrant article that was approved at town meeting back in March to move to 100% renewable energy and electricity by 2030. There was discussion about setting up a capital reserve fund for solar. If this was done and a small amount was contributed to the fund for 6 years, we would be ready to purchase the system by year 7.

With regards to Solar, they are looking at two prime locations to develop solar which are the sewer pumping station and the public works building.

Chris Lorio would like to know if they will cover the equipment prior to the town owning the system. Also, what is the payback period once it is purchased? Mr. Hess stated he has not done those calculations. IRS prohibits the developer from quoting a specific purchase price in advance of the purchase. A fair market appraisal will be done at the time of purchase. Mr. Lorio asked who would maintain the property. Mr. Hess stated that the developer will pay to mow grass and cover maintenance costs.

Phyllis Piotrow would like to know what happens to the solar array when there are large snow storms. Mr. Hess stated it is disappointing when the panels are covered with snow and not producing energy. The vast majority of the proposed solar system would be on the ground and easily reachable to remove the snow. The question will be who is going to do it and who will pay for that. Sometimes the sun melts the snow or depending on the pitch of the panels it will slide off. The investors will have to make that decision as the town won't do the maintenance until it owns the system.

Ms. Piotrow would like to know if Mr. Hess or members of the Energy Committee will commit to speaking at town meeting to endorse the proposal if this is approved. Mr. Hess stated he would be disappointed if a proposal was put forward and people weren't willing to come to town meeting to back it up. He can ask if several members of the Energy Committee will attend and speak to the issue if they would like.

Ms. Piotrow asked if what can be done this year, 2019-2020 and how much would it cost. Mr. Hess responded it depends on whether they want to go solar and be more efficient without costing tax payer's money. LED lighting upgrades require getting into the queue with Eversource and the queue is already full for 2019. The library is in the queue for 2020. If it's advisable they can get as many town buildings into the queue for 2020. The alternative is paying for the upgrades up front and receiving the savings on the electric bills from day one. This would be a decision for the Budget Committee to make.

Ms. Piotrow asked if the Energy Committee has spoken with Continuum regarding the proposed Senior Living Facility. Mr. Hess stated the Energy Committee would be happy to meet with them.

Jerry Coogan suggested that a field trip be organized to see some local solar arrays. Mr. Hess suggested that interested members could visit Proctor Academy, Colby-Sawyer College and Warner, New Hampshire.

Chair Prohl thanked Mr. Hess for the presentation and for the work the Energy Committee is doing for the town.

John Raby commented that it is his understanding that the Planning Board has identified the conversion to clean energy as a high priority item. He stated if they delay or do nothing, this comes with a cost as well as climate change imposes more damage. Mr. Raby also noted that Jennifer Jacobs is an environmental and energy engineer at UNH. She's been surveying the damage to roads, bridges and culverts around the state. She has reported that this damage is already significant. This impacts our Public Works Department and comes with a cost to the citizens of the town. Mr. Raby noted that Colby-Sawyer College converted to renewables on electricity in 2010 and dropped carbon emissions by 43%. By doing this, Colby-Sawyer experienced a cost savings.

### **Budget Committee process and procedures**

Chair Prohl stated that during discussions, he will give those members that haven't spoken a chance to speak first and then come back to those who have already spoken. A vote will be taken as we go through each budget item. If more information is needed or key people are missing, the vote will be put off until the next meeting.

Lyndsay Lund asked if there was a policy regarding individuals that disagree or speak in opposition to something at town meeting that the Budget Committee had voted in favor for. Chair Prohl stated no, all members certainly have the right to speak.

### **FY2020 Budget Review**

#### **Executive, Town Clerk, Tax Collector, Elections, Finance, Assessor, Legal, Personnel Administration**

##### Executive

The Selectmen are recommending that their salary be increased from \$2,000 to \$3,000 each.

The chair of the Trustee of the Trust Funds in the past has gotten a \$500 stipend and the Selectmen would like to eliminate that. Lyndsay Lund suggested putting the \$500 back in for the chair and lowering each Selectman's increase by \$166.67 to make up for it. Ms. Hallquist explained the Selectmen's reasoning by noting that since the other committee chairs don't receive a stipend, the Selectmen felt this chair should not receive one. The Chair of the Trustee of the Trust Funds does a lot of work almost daily with Ms. Johnson on capital reserve funds, trust funds and town reports. The thought is that \$500 is not a lot of money for the amount of work the Chair is required to do.

**IT WAS MOVED (Lyndsay Lund) AND SECONDED (Suzanne Jesseman) to amend the Board of Selectman stipend amount to \$8,500 and put the \$500 back in for the Chair of the Trust Funds.**

**DISCUSSION** - Chris Lorio understands the motion but does not want this to be a disincentive for the Selectmen since they work hard as well. He would rather just put the \$500 back in. Joe Cardillo agrees that we should leave the Selectmen's amount alone and deal with the \$500 somewhere else in the budget.

After Discussion the motion was withdrawn.

**IT WAS MOVED (Suzanne Jesseman) AND SECONDED (Joe Cardillo) to add \$500 back in for the Chair of the Trust Funds. THE MOTION WAS APPROVED UNANIMOUSLY.**

Ms. Hallquist noted that all of the salary lines include a 2% COLA increase plus the wage scale increase of a 2.5% step for employees with an acceptable evaluation. These increases vary based on when they were hired. The insurance increase is 4.9% but it may be less.

Advertising – Ms. Hallquist stated that the Selectmen have asked for the second year in a row to watch the amount of money spent on advertising. Ms. Hallquist commented that they do advertise in the Shopper and in the Intertown Record. Some of the advertising is required by law. They will try to use social media and the town website as much as possible.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to accept the Executive Budget in the amount of \$299,415. THE MOTION WAS APPROVED UNANIMOUSLY.**

#### Town Clerk

The Selectmen's proposal is for the assistant to go to full-time. Chair Prohl would like to know what the rationale is having two full-time people as opposed to the current situation. Linda Nicklos stated that for the stability of the office and to make it more efficient, two full-time people are needed. There are space restraints so having more part-time people in the office isn't feasible. There is heavy volume and it is transaction driven. Chair Prohl asked if they would be open on Fridays again if given a full-time employee. Ms. Nicklos stated that being closed on Friday gives them a chance to catch up on certain items. Chris Lorio stated that it seems with two full-time people there would be more capacity to be open on Friday. Ms. Nicklos replied if they wanted to change the hours again that would be fine.

Joe Cardillo commented that for many years there were two full-time people in the office but as they became more efficient, it was decided this was no longer needed. It appears things haven't changed significantly enough to justify going back to two full-time people. He is in favor of giving more money and hours to the part time person. He would like to make some pay increases in the office but maintain a full and part-time position. Linda Nicklos stated a comparable town is Sunapee and they have two full-time people. She has done her research and the town clerk/tax collector offices runs more efficiently with two full-time people.

Chris Lorio made the point that the efficiency is going down. Even when duties have been removed, the office isn't getting more efficient. We are trying to do less than what we've done in the past and adding more resources to do it. There are now more efficient tools to do the work. If more time is being added what are we gaining from it. Ms. Nicklos is hoping the tax collecting is coming back into the office since this makes the most sense.

Chair Prohl asked why there aren't two windows to help customers in the office. Ms. Hallquist replied that the Department of Labor stresses the importance of towns protecting their employees and that is why the wall was installed several years ago; the layout that was decided based on the size of the office. She concluded that there is not a lot of room in the office for desks, counters, filing cabinets and staff.

Chair Prohl suggested not voting on this item until Selectman Helm can weigh in as he has observed the office on several occasions and has insight to offer. Joe Cardillo stated this is an uncomfortable situation as the budget committee is being asked to analyze a position and this isn't their role. Jerry Coogan feels they should vote on the Selectmen's budget as presented to them.

**IT WAS MOVED (Jerry Coogan) AND SECONDED (Phyllis Piotrow) to approve the budget as presented by the Selectmen for Town Clerk in the amount of \$152,029.**

**Jerry Coogan, Suzanne Jesseman Phyllis Piotrow voted in favor; Rob Prohl, Joe Cardillo, Lyndsay Lund, Lauren Snow Chadwick, Mark Christensen, Chris Lorio voted against. THE MOTION DID NOT PASS: 3 votes to 6 votes.**

Finance – This includes the tax collector so this will be discussed next week.

Assessor – The total budget is \$98,962

**IT WAS MOVED (Chris Lorio) AND SECONDED (Lyndsay Lund) to approve the amount of \$98,962. THE MOTION WAS APPROVED UNANIMOUSLY.**

Legal – The total budget is \$20,500

**IT WAS MOVED (Chris Lorio) AND SECONDED (Lyndsay Lund) to approve the amount of \$20,500. THE MOTION WAS APPROVED UNANIMOUSLY.**

Personnel – The employee reimbursement item should be eliminated so the new total is \$84, 090.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Chris Lorio) to approve the amount of \$84,090. THE MOTION WAS APPROVED UNANIMOUSLY.**

Planning and Zoning - The total budget is \$157,066. Joe Cardillo addressed the Planning Board Engineering Review item. He thinks budgeting for this is after the fact since the projects currently before the Planning Board will be complete by this budget cycle, this should be reduced from \$10,000 to \$5,000.

**IT WAS MOVED (Joe Cardillo) AND SECONDED (Lyndsay Lund) to reduce the Planning Board Engineering Review line item from \$10,000 to \$5,000. THE MOTION WAS APPROVED. Jerry Coogan was opposed.**

**IT WAS MOVED (Lyndsay Lund) AND SECONDED (Mark Christensen) to approve the new amount of \$152,066. THE MOTION WAS APPROVED UNANIMOUSLY.**

Advertising and Regional Association

**IT WAS MOVED (Chris Lorio) AND SECONDED (Suzanne Jesseman) to approve the amount of \$18,537. THE MOTION WAS APPROVED UNANIMOUSLY.**

Energy Committee

**IT WAS MOVED (Phyllis Piotrow) AND SECONDED (Jerry Coogan) to approve the amount of \$450. THE MOTION WAS APPROVED UNANIMOUSLY.**

**Next meeting:** Wednesday, December 12th

**IT WAS MOVED (Phyllis Piotrow) AND SECONDED (Suzanne Jesseman) to adjourn the meeting. THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting was adjourned at 9:04PM.

Respectfully submitted,  
Trina Dawson, Recording Secretary  
Town of New London