



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## **Budget Subcommittee on Capital Reserve Funds Meeting Minutes November 18, 2015**

**BUDGET COMMITTEE MEMBERS PRESENT:** Rob Prohl (Chair), Joe Cardillo (Vice-Chair), Peter Bianchi (Board of Selectmen's Representative)

### **OTHERS PRESENT:**

John Wilson, Budget Committee Member  
Nancy Rollins, Board of Selectmen Chair  
Phyllis Piotrow, Budget Committee Member  
Sandra Licks, Library Director  
Richard Lee, Public Works Director  
Bruce Hudson, Budget Committee Member  
John Ryan, Board of Firewards  
Lucy St. John, Planning & Zoning Administrator

### **STAFF PRESENT:**

Wendy Johnson, Finance Officer

Chair Prohl called the meeting to order at 7:00pm. He noted that John Wilson was asked to sit in on the subcommittee due to his institutional knowledge but said he would not have a vote.

Chair Prohl explained the purpose of the subcommittee and noted that it is a fluid process and some information will be forthcoming (such as the cost to close the sewer lagoons). They will try to reach a consensus among the three subcommittee members but if they get stuck on an issue, they will pass over it and come back to it another time. He feels the subcommittee worked well last year which is why it is being revisited this year.

Chair Prohl noted that the CIP plan has been adopted by the Planning Board at their meeting the previous evening. He listed some of the projects included in the CIP, including Whipple Hall, the tax map update, various heavy equipment, sewer lagoons, and storage of town records and archives. Recommendations were a part of the CIP document, including remarks about the police department and Planning Board member thoughts on having a new building built in the future.

Chair Prohl welcomed the Department Heads to explain their requests in the Capital Reserve Funds (CRF). Sandra Licks, Library Director, said the Library Trustees would like their deposit to remain at \$35,000 which is the same as in previous years. In FY2017 they would like to re-do the drainage in the foundation level of the building. Water is still coming in after hard rains due to the 1990 addition process which crushed the foundation drainage. To repair these issues, they would propose expenditure of \$38,000.

Mr. Lee recommended that \$50,000 be put into the Bridge Repair CRF. He recommends that at least one of the culverts (classified as bridges on the State's red list) on Brookside Drive be repaired sooner than later to insure residents would be able to travel in and out of their area should a storm event occur and wipe out the culverts. The fund has about \$119,000.

Ms. Johnson said if he were to replace both locations within 5 years, doing one in 2018 (the project is \$200,000; the pipe alone is \$100,000) and the second in 2021, they would need a deposit of \$75,000 for the next four years and \$50,000 after that. Mr. Lee explained they are being allowed to replace the culvert with another culvert because there are numerous utilities running under and around the ones that are there currently. The State has not been allowing this practice of late.

The sidewalk fund has a \$50,000 request. Mr. Lee explained that Main Street needs something done from the school to Homan's corner and from the school to Cleveland's. There are numerous places that are not ADA compliant. The Public Works Department has tried to patch some of these areas but it is not possible to repair the entire sidewalk as it should be by patching sections.

The Heavy Equipment request is \$269,210 which is what was proposed last year and is the amount planned each year through 2025. Next year they are looking to make an expenditure of \$192,694 for a loader and \$60,000 to purchase a new street sweeper. Mr. Cardillo questioned whether the Town utilized subcontractor street sweeping in the past. Mr. Lee said they did. It cost \$12,000 the last time they did and the company did not sweep half the roads they do now. Having their own equipment comes out to be a cheaper alternative.

Dr. Wilson said they put \$249,210 into the fund last year and talked about the possibility of doing the same this year. He recalled Mr. Lee saying the loader might be \$160,000 so it might be OK to deposit less. Mr. Lee said he feels the same he did last year: at some point they will need to make up the funds they take out to put towards future equipment replacement. Mr. Lee said there are about 10,000 hours on the loader and it has extensive rust in the cab. They have kept it two years longer than they expected to. When asked, Mr. Lee said he would like to replace the old loader with a CAT. He has not priced any other brands because he has heard it takes a long time to get parts for them and he prefers CAT because they have multiple stores that they can get parts from in a short amount of time.

The deposit for Gravel Road Paving is \$50,000, the same as last year. FY2018 they plan to do Pine Hill Road. They may end up swapping some roads around because the water main on Pine Hill Road needs to be replaced. They are scheduled to do this tentatively next year. He didn't want to pave it if they will rip it up the following year.

Mr. Prohl asked where the additional funds came from for the remainder of South Cove Road after the gift provided by a taxpayer paid for a portion of the paving. Mr. Lee said it came from his operating budget. Ms. Piotrow said she spoke with someone who noted that it costs much less to maintain a paved road than it does to maintain a gravel road. To pave a mile it is about \$100,000 and costs about \$3,000 per year to maintain.

Dr. Wilson asked how long before they have to repave a road. Mr. Lee gave examples of some roads in town that have lasted 20 years. It was noted that the price of hot top follows the price of petroleum. It is a variable scale.

Sand and Salt Shed – Mr. Lee said they would need \$23,000 to get them on schedule to use \$70,000 in FY2019 for a new shed. He hoped the current shed would make it to 2019. Mr. Cardillo recalled that this was not funded last year because there was talk about rolling several building upgrades into one bond. The structure that will be built is a "clam-shell" type of structure with a steel frame and plastic roof, guaranteed to last for 25 years.

Selectman Bianchi asked about the 2,000 gallon fuel tank that is on the plan to be replaced. He asked about the work that is needed for the delivery area. Mr. Lee said that for a new tank it has to be under cover and will probably require a cement pad with a berm around it to prohibit leakage while pumping. The current tank is 15 years old. There is an alarm inside it that lets them know if there is a leak. Selectman Bianchi thinks an above-ground tank will last longer than an in-ground tank.

Pleasant Lake Dam – A previous memo from Kim Hallquist, Town Administrator, noted that the engineering study was originally estimated to be \$50,000, however that amount may not be adequate now. Ms. Johnson said they put \$60,000 in the budget to account for an increase in cost of the engineering plan. Selectman Bianchi said an RFP must go out for the engineering study after receiving another letter of deficiency from the State. The analysis has to be done by May 1, 2017 and completion of the work by November 30, 2018. Mr. Lee said Wright Pierce did a study several years ago and provided three alternatives to stabilize the dam. The most expensive of which was about \$500,000.

Selectman Bianchi feels they should do this work ahead of schedule as the State has been generous with giving the Town more time to get this project done. Mr. Prohl said the account has \$56,000 already so the engineering could likely begin soon.

Dr. Wilson said the dam, sewer lagoon and Whipple Hall and the pipes at Brookside are things that the sooner they know where they are going, the better. They may need to bond for this work. Come December, the rates will start to go up. Selectman Bianchi agrees that the more facts they can get the better.

Sewer Lagoons – Mr. Prohl asked if it was the plan to get them closed up in 2017. Mr. Lee said he would like to get them done in 2017 and get it over with but that probably wouldn't happen. The engineers came up with three estimates to close them and now they are part of a committee to come up with a solution to close them. Selectman Bianchi said the State, engineers from Nobis Engineering, and Peter Stanley (former Planning & Zoning Administrator), met at a recent Selectmen's meeting. A lot of the work can be done in-house which will cost the Town less. The committee is made up of John Wilson, Richard Lee, Peter Stanley, Paul Currier and himself. He feels they will be able to make the process go a lot easier and sensibly. He feels the DES representative, Mike Rainey, is supportive of the town and is willing to provide helpful advice and work with them to get the job done. Selectman Bianchi feels they will have some estimates soon and the State will look at their plan and help them meet their goal. He hoped it would be done within the next three years.

Sewer Department Equipment – \$20,000. This amount comes from users.

It was asked if the Elkins Post Office had been removed from the Town Building fund this year. Mr. Lee said they were asked to take it out of the building maintenance capital reserve last year. The work will be done in the spring. It will cost \$14,000 to shingle the post office, paint, do some work to the ramp, and work around the bottom of the building.

Town Building Capital Reserve – Ms. Hallquist suggests adding \$50,000 to this fund.

Chair Prohl asked what funding was left from the Academy Building project, which was supposed to go towards projects at Whipple Hall. Selectman Bianchi said there wouldn't be any left but that the cupola at Whipple Hall is included in the \$350,000 that was set aside for the Academy Building project. Selectman Rollins said there are things that definitely need attention at Whipple Hall. Life safety issues will be attended to. Selectman Bianchi said there were some electrical issues, lighting, and sprinkler issues that need to be addressed. Dr. Wilson feared that adjustments to Whipple Hall now will need to be re-done or

modified once the Town decides what to do with the building. There are major things that need to be done to the Hall and he thought they needed to be addressed. Selectman Bianchi said he doesn't know how long it will take the Town to decide on what to do with Whipple Hall.

Chair Prohl noted that the Police Chief is looking to add two capital reserve accounts for dispatch. One is for equipment maintenance and one is for a future expansion into Whipple Hall. Selectman Rollins said there is some room near the SAU where the Recreation Department could go to open up more space for Dispatch. For now with so many unknowns, all they can do at this point at Whipple Hall is patch-jobs to repair the things they can.

Fire Department – The subcommittee noted that they are committed to funding the Fire Vehicles Replacement fund at \$105,000 as they have in the past.

Vehicle Refurbishment & Maintenance – there was discussion of the idea about creating a capital reserve for all town vehicles should any department have a catastrophic event and need their vehicle/equipment repaired or refurbished. The Selectmen would be agents to expend these funds. The request for deposit is \$12,000. If they change the purpose of the account, other departments can use the funds within it for emergency use. The amount of the fund would likely increase if it were to serve the entire town.

Mr. Lee said last year this was discussed and it was thought if it had \$12,000 added for the next three years to bring it to \$36,000, it would then be capped at that amount. When funds come out of the account, additional funds would need to be added to it the following year to get it back up to \$36,000.

Fire Department Radios & Breathing Apparatus – the subcommittee agreed they should continue funding both of these.

GIS Update – It was noted that the amount has gone up. They had been putting \$20,000/year into the account. Ms. Hallquist recommends putting in \$60,000 and getting it done in the coming year. The new estimate is \$115,000. It has gone up by \$40,000. Ms. Piotrow said this is an example of how the Town has lost \$40,000 by not putting the money in earlier and getting it done. She noted that the letter from CAI Technologies explains that the work can be spread out over 2-3 budget cycles. She said the longer they wait, the more they'll have to pay. Selectman Bianchi said this would be true "if" it was needed.

Ms. St. John said this issue has been discussed for several years and the surrounding towns have already had the mapping done. The town's maps are not as accurate as they could be. She feels they need to keep up with technology and keep abreast of the changes that help with all sorts of aspects of planning. Real estate agents, property owners, the Public Works Department and Fire Department all use these maps.

Mr. Lee explained that his department had a study done a few years ago where they paid \$7,000 to CAI Technologies to plot man holes on their current maps. It was vastly inaccurate. It was not a tool they can use because the maps are so off. Every class and technology is moving towards being reliable on GPS and right now, their maps are wildly inaccurate.

There was further discussion regarding CAI Technologies and whether they are the company Sunapee and Newbury use, as well as possible future costs with the company. Ms. St. John said having this done now will last for a very long time, until another technology comes along that the towns will need to upgrade to. Ms. Piotrow suggests asking Norm Bernaiche, Chief Assessor, to come in to explain this request.

Mr. Cardillo said the Selectmen will make a recommendation and then the Budget Committee will decide what to do.

Recreation – The request for \$5,000/year for the beaches has been made again. Mr. Prohl asked Mr. Lee what was left to be done at the beaches. Mr. Lee said he would defer that question to Scott Blewitt, Recreation Director, who was not there that evening. Mr. Prohl asked if the grant Mr. Blewitt was given could be used to purchase or lease a vehicle. This was an unknown. Mr. Cardillo thought a lease could work.

Computer Maintenance – The amount of \$21,000 is to replace computers. Ms. Johnson said they replace about two per year in the office, and they replaced the server a couple years ago for \$15,000.

Dispatch Relocation – There is a \$25,000 request to plan for the future relocation of dispatch into the Recreation Department area; the funds will be set aside for technological changes to do so. Dr. Wilson feels if they are going to do work to Whipple Hall, the logistics of this dispatch move, if that was the plan, would be paid for in this effort and money wouldn't need to be saved in a capital reserve.

Dispatch Equipment – The request is for \$25,000 to replace/maintain the new dispatch equipment. Ms. Johnson said the other towns have been told that New London would be raising funds from them for part of this expense. Dr. Wilson recalled this expense should be \$34,000/year. The towns have been told that this amount would be apportioned from them to take care of the maintenance of the equipment.

Selectman Bianchi said as it stands now, the capital reserve requests come in at about a million dollars. This is \$300,000 more than last year. He said everything they talk about seems to be a necessity but at some point they will need to say “no.” It is a lot of money.

The Selectmen will be discussing capital reserves at an upcoming meeting, likely on November 30<sup>th</sup>. The following Selectmen's meeting is planned for December 7<sup>th</sup>.

The next subcommittee meeting will be November 23<sup>rd</sup> at 7pm.

December 2<sup>nd</sup> at 7pm is the next regular budget committee meeting.

**IT WAS MOVED (Rob Prohl) AND SECONDED (Joe Cardillo) to adjourn the meeting.  
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 9:15PM.

Respectfully submitted,

Kristy Heath, Recording Secretary  
Town of New London