

Citizens Advisory Committee Meeting
December 11, 2010
7:30am

Meeting Attendees:

Tina Helm (Chair, Selectmen), Peter Bianchi (Selectman), Mark Kaplan (Selectman), Jessie Levine (Town Administrator), Bob & DJ Lavoie, Jack Harrod, Terri Bingham, Phyllis Piotrow, Joe Cardillo, Hardy Hassenfuss, Rick Anderson, Will Kidder, Ann Loeffler, Jack Sheehan, David Payne, Bob MacMichael, Gary Markoff, Vahan Sarkisian, Howard Hoke, Beth Swanson, Ray Ettenborough

Chair Helm called the **MEETING TO ORDER** at 7:30 AM. She said that the format for the meeting would be a bit different than usual. The Board of Selectmen would propose three questions to those at the meeting in hopes of getting some feedback. She noted that they would be budget-related questions.

The first question Chair Helm posed was this: *In 2007, the Town applied for a hazard mitigation program grant to repair Lamson Lane which had been severely washed out in at least two storms before that time, and is need of major culvert replacement and road repair. After years of dialogue with the NH Office of Homeland Security and Emergency Management, it appears that the grant will now be funded. This would require the Town to come up with \$110,000 in matching funds, which Jessie Levine recommends be funded over two years. The overall construction estimate currently is \$335,000. We will not know the exact cost estimate until engineering is done. Though this would add an additional expenditure by the Town of \$55,000 for each of two years, the Selectmen voted, though not unanimously, to approve putting away \$55,000 for 2011 and 2012 in the event that the hazard mitigation program does come forward with the grant.*

Chair Helm asked what the members of the CAC would have done and why.

Mr. Bianchi noted the total cost was \$450,000 and the town would have to come up with one quarter.

Ms. Piotrow wondered how many people live on Lamson Lane. Ms. Levine said there were 11 houses after the large culvert. Mr. Payne wondered what would be done to the road. Ms. Levine said that the ditches and the culverts were inadequate. They will need to widen the road and there would be significant banking to deal with, easement negotiations, right of way negotiations, etc. They applied for a FEMA grant in the fall of 2007 (after the second wash-out that year) and they will be responsible for one-quarter of the cost of the project.

Mr. Cardillo asked if there had been a problem other than in that one year. Ms. Levine said that there has been constant upkeep and maintenance done on the road, and Mr. Lee thinks the edges of the road are on the right of way as it is. They may need to purchase the right of way or an easement to correct the road. Mr. Harrod felt that people who want the road fixed would be willing to give up their right of way to have the repairs made. Mr. Bianchi noted that the center line is usually the middle of the right of way, but that was not the case with this road. Ms. Levine added that this situation was like many roads in New London.

Mr. Cardillo wondered what the timeline was for using the grant. Ms. Levine said the State was willing to hold the availability of funds until 2012. The design work would be done after July 2012, and they'll do the actual work in 2013. He wondered how they'd have a handle on the cost at this point in time. Ms. Levine said that they don't have a firm handle on the cost; they only have an estimate. Ms. Piotrow asked if they could add a tax or fee to those living on the road to repair it. Mr. Bianchi said that they don't have betterment fees for roads. Ms. Loeffler asked if it was a town road. Ms. Levine said it was. Ms. Loeffler felt that they were committed to doing what needs to be done. She asked if this could be a legal issue. Ms.

Levine said there was no legal issue but that they are trying to keep sediment from going into the lake and to prohibit further erosion.

Mr. Cardillo wondered if there was anything they could do with what was already in the budget to work on the road about 500' per year to get it done over five years instead of all at once. Ms. Levine said that the Board of Selectmen asked the same question to Mr. Lee. His answer was that in order to take the project to the next level it needs the engineering. The State won't accept any modifications the town comes up with without a PE stamp. One possibility is to appropriate \$55,000 to the match, do the engineering sooner, so that they would have a better idea of the construction cost before appropriating the balance.

Mr. Kaplan said that the issue is that they really want to do the road. Some see it as an expensive maintenance problem and don't want to go forward. Mr. Kaplan felt that they own the road and want people to have access to their homes. Whether it is done this year or five or 10 years later, they will still need to do the road. He felt they should put the money away and have it available to use when they are ready. Ms. Levine said in 2008 they found out they got the grant, but just didn't know when it would be funded. Mr. Markoff asked if they don't use the grant in a period of time, would it be taken away. Ms. Levine said that could happen, but they have been working with the State and these are 2007 funds they are using. Chair Helm said this is a broader issue that goes beyond the road being inaccessible; it deals with preventing further damage to the lake.

Ms. Swanson said that the sidewalk grant hadn't come through and wondered if the same thing could happen in this instance. Ms. Levine said that the sidewalk grant was a Federal Highway Grant, which is full of regulation and processes. FEMA grants are not like this, as they are meant to help fix a problem. It sounded to her as though they won't have issues with the RFP process as they did with the highway grant.

Mr. Sheehan asked where they would get funding if project costs escalate beyond the estimates. He noted that the project estimates were from 2007 and the project won't be done until 2013. Ms. Levine said that Mr. Lee would be meeting with FEMA soon and they would take another look at the estimate, but if the project cost increases than normally the size of the grant would increase and the Town would still be responsible for 25%.

Chair Helm said if they appropriate the \$55,000 for two years and they put the money in reserves, would the funding only be usable for this project? Ms. Levine answered in the affirmative. Chair Helm wondered if they could put the money in a more general fund so they could go back to the town if the timing changes or the cost gets exorbitant. Ms. Levine said they could create a non-lapsing fund, which can be returned after five years to the general fund if not used. Mr. Bianchi said the true cost won't be found until they do the engineering. He understood it would be a capital reserve account specifically for this project. Ms. Levine said that they have a gravel roads improvement and paving fund with a balance. In the Town Meeting minutes when they opened that fund and gave the purpose of the fund, it was for "improving and paving the town's gravel roads." She wondered if it was for improving and/or paving? Mr. Kaplan felt it was to pave the gravel roads. Ms. Levine said that it could possibly be used to improve gravel roads. They could add to that fund and spend out of it for Lamson Lane or put it in a different category. Mr. Bianchi said if this goes forward, the purpose could be changed to "Improve Gravel Roads." Then that money could be used for any road they want to. Chair Helm asked if that would have to go to Town Meeting, and Ms. Levine said it would. Mr. Kaplan did not think that was a good idea.

Mr. Cardillo asked if the work would be done in-house or by an outside firm. Ms. Levine said the DPW could provide some labor but don't have the equipment to do all that is required. The term for contributing labor to a contract is called a "soft match." Mr. Cardillo asked if they have to come up with

new funds to match this grant. Ms. Levine said they would not. Mr. Cardillo said there is some funding already there. Can they use some labor in-house, so it may not be as much as \$55,000 for both years? Ms. Levine said the first year they'd like to deposit \$55,000. The second year they'd have a better idea of the remainder of the project cost.

Ms. Levine said that last year Town Meeting approved adding a charge of \$5 per vehicle registration to establish a local and regional highway and transportation improvement fund. They were using some of those funds in 2011 to offset the sidewalk improvements. There would be a balance of about \$25,000 in that fund. It is meant for non-vehicular improvements and can be used. Mr. Bianchi remembered there was \$15,000 built in to the estimate for the soft match, which included the use of in-house labor, and the Town's crushed glass.

Ms. Levine suggested using money they available to get the engineering done on Lamson Lane and then they would have a more logical outlook on the remainder of the project and its costs.

Chair Helm said that this discussion has helped her and the three Board of Selectmen gain another outlook on the situation. The topic also shares with all of them how complex these decisions are. There are no right or wrong answers. She felt they had learned some things and it was helpful.

Ms. Lavoie asked how much was in the capital improvement fund for paving gravel roads. Ms. Levine said it was about \$55,000. Mr. Hasenfuss said they talked about the possibility of acquiring funds to pay for rights of way, etc. He opined that they shouldn't even consider the possibility of paying people for the rights of way. The people benefiting from the improved road should have no reason to get any money at all. He thought they could negotiate with them. Chair Helm said she felt the same way, and said the residents will be included in ongoing discussions. Ms. Levine said that it has been her experience with construction projects in New London that property owners have donated easements associated with the construction improvement.

Rick Anderson said the Lake Sunapee watershed is doing a study of culverts. With more severe and frequent storms they will pay now or pay later. Spending the money now is a no-brainer for him – the work should be done. Engineering can differentiate between 200, 100 or 50 year storms and will offer multiple solutions.

Mr. Sheehan thought perhaps they should not do the entire engineering. Part of the cost from the motor vehicle registrations should be used to get a better idea of the scope of the project before going forward. Mr. Bianchi said the Board of Selectmen is in favor of fixing Lamson Lane, although he didn't vote for it. He said that the Public Works Department was on top of the project and they have replaced some big culverts in the past. With some traditional engineering, they could do the project at their own pace. Ms. Levine said that to meet regulations from Fish & Game, DES, etc. it ends up costing a lot more to do this sort of project. It may not be as simple as just asking the town's own Public Works Department to go out and do the work.

Mr. Markoff asked if they will go for an RFP for the engineering study. Ms. Levine said the board has been talking more about bidding than just choosing someone. Mr. Markoff felt there was a construction lull in the system and if they went out for a bid, they could get a good quality bid. Just because something cost an amount in 2007, it doesn't mean it could be that amount plus more in 2012. Ms. Levine said that it is for both construction and engineering. Mr. Markoff felt the labor could be found locally and it would be good. He opined that there was still a glut of labor and infrastructure engineering and thought they should move ahead. Mr. Cardillo thought if there were funds available somewhere, they should pull it out and do the engineering to get a cost. Mr. MacMichael commented that it was a shame they couldn't fix

the roads like they used to. The government has made many changes and the towns have to go through a lot of red tape to get anything done.

Chair Helm posed the second question for consideration: *The Recreation Department has asked for \$8000 to replace sailboats at Bucklin Beach. The current fleet of boats is in very bad condition, and in order to continue the sailing program at the beach, this replacement inventory is necessary. The request would be 2 new boats or 3 used boats.*
The Selectmen, though not unanimously, approved this item in the proposed budget.

She asked those in attendance what they would have done and why.

Ms. Swanson opined that having the boats at Bucklin was a wonderful thing for the kids and families in town. She felt it was a great place to learn to sail. She thought that there would be many options to acquire boats, with people who live on the lake and have older boats to donate. She believed they could probably get some nice boats donated. Ms. Levine said that this didn't work, as they tried it last year. Ms. Swanson said that regardless of this fact, she was supportive of the sailing program at Bucklin Beach.

Mr. Hoke asked what the deterioration was with the boats. Ms. Levine said that a lot of them are 30-40 years old. Mr. Hoke said he has a boat that is the same age as the ones at Bucklin and he has made repairs to them for as little as \$200. He thought the Recreation Department could have the boats coated in fiberglass and could make them like new for less than \$8,000. Ms. Levine said that it was more the body of the boats that needed repairs and that they were looking into having repairs made. Mr. Sheehan agreed with Mr. Hoke and thought they should look hard at repair costs. Fiberglass repairs could be done cheaper. Mr. Hasenfuss said he has a sunfish from 1971 that was still in good shape. He wondered if they were covered year round. Ms. Levine said they had been kept at the Public Works Department in the winter but are not covered. Now they are being left at the beach. Mr. Sarkisian said this summer he could have picked up six of these types of boats at yard sales for just a few hundred dollars. He felt \$8,000 was a ridiculous amount of money to ask for, with a community that has three lakes and boats people were willing to give away. Ms. Levine said they have tried with ads in the Kearsarge Shopper, and in her column, and the boats they get are used as parts boats for the ones they already have; the boats people want to give away are not generally in any better shape than the ones they have.

Mr. Markoff commented that manufacturers are under pressure to keep new boats moving. They are trying to push new boats and take in used boats. There may be a push this year and a glut of used boats in the market. Mr. Hoke asked if they want to expand the fleet. Ms. Levine said that they do not; they want to replace some of the damaged boats.

Chair Helm said that as the Board of Selectmen went through the various budget issues with some exceptions, they asked the Department Heads to come in under a 2% increase. The increase is dropping lower and lower and is currently at 1.1%. As long as they responded to what they asked them, they should not go each department, line by line. If the Budget Committee wants to do that, that is their choice.

Mr. Hoke said regarding budgets, he would love to see the Board of Selectmen, going forward when they vote on and approve budget, for them to do an even better job. If the Department Heads spend less than their budget, they get to keep a percentage of it to spend in a way that they see best. A significant amount of savings gets to go back to the taxpayer. In government funding there is no incentive to spend less than what has been given. He'd like to see a system that encourages such an incentive. If they spend less, they get rewarded for it. Mr. Payne thought the concept was interesting. He noted that in his own budget, sometimes they can be under-spent because of luck and not anything in his power. There was also the possibility that people would over-budget to be able to get that percentage back at the end.

Mr. Kaplan said that over the years the essence of saving money by the department heads has been a real one. There is no way they could accumulate between \$900,000-\$1,000,000 into their surplus that would allow the Board of Selectmen to take a portion of it to reduce taxes if the department heads weren't doing a good job. That is how the savings gets returned to the taxpayer. The department heads don't have the incentive that Mr. Hoke was pointing out. Their only incentive is to do a good job for the town and they have been doing it. Mr. Hoke said he appreciated this and felt they were lucky in this regard.

Ray Ettenborough said he moved to New London quite a few years ago not because they had two boats at the beach. He felt that they needed to get to the point where they will stop trying to improve everything. If they want boats, they should use the budget they are given.

Mr. Markoff said it is not an annual increase of \$8,000 to buy 2 or 3 boats every year; it is a one-time increase and then they are back to the regular budget line.

Mr. Lavoie asked if they charge for lessons. Ms. Levine said they charge for specific lessons on the boats but they don't charge for regular ongoing use of them. She said that people don't come to the beach with money in hand and they don't want the lifeguards having to start taking in money. The "pay as you play" concept is something they will consider later on. Mr. Lavoie said they could have a pass for sale that would entitle persons to unlimited use of the boats.

Mr. Bianchi said that the Recreation Department budget went up 7-8% when they included the request for boats and increased the lifeguard hours. He said that if this gets approved and their budget is up, the next year he opined they would go up again because it will have a new starting point. Ms. Levine said that is not the way the departments budget. She said that the Police Department's budget went up significantly last year to budget for officers having to have to travel to Newport District Court, but as it turned out, they didn't need all that had been budgeted. The funds weren't used and so they took it back down for this next year, so the police budget actually decreased by 5%. Every department looks at their budget line by line and they do not automatically build on what is there the previous year. Mr. Cardillo said they should take the boats out of the line item and make it a warrant article. Ms. Levine said that this was a possibility.

Chair Helm posed the third and final question to those at the meeting: *The request for milfoil prevention funding increased substantially in the current proposed budget - \$21,500 for each of the next two years - the increase is due to the fact that the capital reserves for milfoil has been drawn down so that only about \$7500 remains in reserves. The Selectmen approved this request and left it in the proposed budget.*

Chair Helm asked what they would have done and why.

It was noted that the requested money was for the lakehost program and any milfoil mitigation that may be needed. Ms. Bingham said that for the most part, with the exception of Lake Sunapee, it is mainly for lake hosting. She noted that prevention is cheaper than containment. Once Milfoil gets in they don't get rid of it, they have to control it. While it may sound like a lot of money, it pales to comparison to what could happen if milfoil was in the lake. Ms. Bingham reminded people that the lakes bring people in to town, and brings money into the businesses. Property values go down if there is a big infestation. A lot of the lakes recognize that they have to play a part and invest in it from a volunteer and monetary standpoint. There are both volunteer and paid hosts. They are trying to find ways to contribute in a monetary way. Most lakes and ponds in this area won't be able to pay to deal with an infestation. The town should be prepared in case it should happen. Mr. Bianchi said that in the past they have added \$18,000 per year to the milfoil fund. Ms. Levine said they used to deposit \$28,000 per year and would spend \$18,000 per year and save the rest should an infestation occur. Over the last few years, rather than appropriating to the fund

they spent it down and now the fund is now at only \$8,000. At this point they are appropriating what they need for the lake hosting and will not be accumulating anything for the fund. Last year they weren't able to give the associations what they requested. They are appropriating more but they are still getting less than what they have asked for in the past. Ms. Levine said they have never appropriated money for treatment. She thought it would go into prevention. Mr. Hasenfuss asked what it cost for lake hosts who get paid vs. volunteer hours. Ms. Levine said that it isn't even 50% that the town is paying for the weed watcher programs. Chair Helm said that two of the lake associations are going for 501(c)(3) status in hopes it will increase the giving so people will get tax recognition.

Mr. Sheehan said he lives on little Lake Sunapee and thinks it is an important program. He doesn't think they need to increase the budget. Mr. Sheehan said he doesn't know how they can ask their department heads to hold their budgets to 2% or 1% and then the lake associations can just come in and ask for more money than they got last year. His first point was that the lake associations have to put more effort into getting more volunteers. Secondly, the lake association can contribute more in cash to fund the program. As a minimum, the town should hold it to what was budgeted last year rather than increasing it.

Mr. Hoke said that given the cycle of annual meetings and lake associations, perhaps the choice of funding increase was a good one, but he would suggest some personal contact prior to or at the lake association meetings to let them know the town is in a situation and needs to diminish the expense and would like lake association to come up with more dollars to support the program. The town will stand behind mitigation if necessary, but the philosophy is that they are not abandoning them, but if prevention is the best cure, they need to support it more fully. Chair Helm asked if he would hold the allocation the same. Mr. Hoke said he'd go down to \$10,000 but would give advanced notice of this change. He said that he has properties on Pleasant Lake and if there was milfoil near his home, he would lose \$300,000. It would be worth it to him to pay \$100 to help the preventative program.

Mr. Markoff said that this requires a public/private partnership but there is the question of how to balance it. If people are not living on the lake, they still get to enjoy the visual aspect of it, the town is a recipient of a tax rate of higher evaluation properties, merchants are beneficiaries not having to write off declining property values and get cash to do business. He asked Mr. Bianchi, with regard to Mr. Sheehan's comment that if it cost \$18,500 to fund the associations, why were they going to \$21,000? Would the extra \$2,500 more go on top of the existing \$8,000? If they budget for \$21,000 what are they doing with the \$8,000? Mr. Kaplan said that the \$8,000 is in the capital reserve fund to deal with infestation. Mr. Markoff asked if they should be at zero or at a number that has a reserve and they are kidding themselves by only budgeting for the straight cost. If there is a response required, where will it come from? He wondered if having \$8,000 was prudent. Mr. Bianchi said that mitigating a problem would be a lot more than \$8,000 but how much more is unknown. The remaining money was being thought of as a starter-fund. He said that he voted for this and he thought they should stress that the associations have to raise more money but he didn't think it appropriate to drop it on them in one year. They can give \$21,200 this year, but next year it might not be available.

Mr. Sheehan said the \$8,000 will not correct a problem for sure. It is a starter fund so if something was started on one of the lakes they will have something to start to control it. Also he thought initially when this became a problem, the state of NH would fully fund the first year or mitigation and then gradually reduce their contribution in subsequent years. He wasn't sure if it was still true. Ms. Levine said they actually used to fund and staff the project but assumed that by seeing what services have been pulled back in other areas, this was no longer an option.

Mr. Anderson said he was pretty sure that this support from the state would not happen. His feeling about the lake host program was that every year they prevent an infestation is to their advantage. Those who

work on lakes that are infested are getting smarter and smarter. There are much more effective ways of controlling it, they are finding, but still – prevention is the least costly.

Mr. Markoff thought they should get to a place where the reserve amount was right. He wondered what they could do to get smarter about this. If milfoil gets introduced to one property, it is on the whole lake. Serious financial responsibility would be provoked. It is a town resource that is impacted on a systemic level. They are all responsible as a town to own the issue. If they take the town's responsibility out, they are opening themselves up to a lawsuit for loss of value. Mr. Bianchi didn't think this was an issue.

Ms. Piotrow thought the costs can't remain steady. The towns are constantly promoting more use and more people coming from all over to use the lakes. They can't maintain the present level or cut it down. It is unrealistic. The cost of prevention is so much more effective and efficient than the cost of treatment. It is the townships that are encouraging more and more boats on the lake. Other places may not have the same kind of control and the more the people use the facilities, the more the shared cost should be.

Mr. Anderson said the actual costs are tricky. Once there is an infestation, they cover it and keep the sun from reaching it. Then they pull it with divers and pull equipment. They then use diver assisted suction harvesting. \$8,000 could be used to study the costs. He felt that the public/private teamwork was very important. Each lake is a little different and some are more dependent on volunteers. Some have been more successful because they have been longer at raising money and already have the non-profit designation. They want to man the boat launches early in the season through Labor Day. He didn't have all the numbers, but his best guess was that the town would be funding closer to 1/3 of the cost. Ms. Levine agreed and said this is especially true when they consider the volunteer hours and the weed-watcher program, which is all volunteer.

Ms. Levine said it was understood that they don't know the magnitude of the cost if they had to treat an infestation. If they needed a capital reserve fund, they'd need to do it in earnest. If they are looking at every dollar, they could capture \$8,000 now and then pay it in earnest when/if an infestation comes up. It should be zero or some other number, said Mr. Markoff. Either go to zero, or take the \$8,000 up in further years.

Ms. Loeffler suggested the state of NH have a stake in it and help too. They are trying to encourage more and more boat traffic all the time. She wished there was some way the state could contribute.

Mr. Cardillo said they are all on board philosophically that they need to protect the lakes. They do have a good movement towards public/private cooperation. Their role is to concentrate on supporting this at a level that focuses on prevention, not mitigation. His personal feeling is let it go to zero. They don't know what that number will ever be if treatment were necessary. If there is a mitigation issue, they will be faced with floating a bond or getting the town to rally behind treatment. He thought they needed a consistent commitment and further the volunteer hours. He felt they should pull \$8,000 out of the fund, fund the rest and give the associations the \$21,000 they are asking for.

Mr. Bianchi said that the Board of Selectmen has presented the budget to the Budget Committee. The Board of Selectmen and the Department Heads have worked hard. It is now in the Budget Committee's hands. Their input is the next step. Monday night there would be a Budget meeting and their input will help for and against. He said he was a big advocate that the more input on an issue, the better the decisions are made. He noted that Mr. Kaplan, as the Board of Selectmen's representative to the Budget Committee, could present these ideas brought forth at the CAC to the Budget Committee.

Chair Helm asked the meeting attendees if they liked the format of questions. Many people said they liked it. Mr. Harrod remarked that it was good to have a theme. Mr. Lavoie said that if they announce the topics for discussion beforehand, it would be helpful. He felt that sometimes the meetings were one-way and that they are not seeking their advice, even though it is a Citizens ADVISORY Committee. Ms. Levine noted that this was one of the few meetings of the CAC that had not been noticed as to the topic of discussion.

The meeting adjourned at 9:00 AM.

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London