

TOWN OF NEW LONDON
BOARD OF SELECTMEN
FEBRUARY 12, 2007

PRESENT:

Douglas W. Lyon, Chair, Board of Selectmen
Mark Kaplan, Selectman
Jessie Levine, Town Administrator

ABSENT:

Ruth I. Clough, Selectman

OTHERS PRESENT:

Carolyn Dube, Argus Champion
Debbie Cross, Intertown Record

8 a.m. to 8:45 a.m.:

Bob Lavoie, Sewer Commissioner

9 a.m. to 10 a.m.:

Senator Bob Odell

Representative Randy Foose

Representative Dave Kidder

County Commissioner J.D. Colcord

Newbury Selectman Jim Powell

Newbury Town Administrator Dennis Pavlicek

Doug Lyon opened the meeting at 8 a.m. The Selectmen addressed eleven areas of regular business at this meeting, and held an hour-long open discussion with Legislative, County and Town of Newbury Representatives.

1. Minutes-February 5, 2007—Mark Kaplan moved to accept. Doug Lyon seconded. No further discussion. Motion unanimously approved.

NEW BUSINESS

2. Budget Hearing Recap—Selectmen agreed that this year's Budget Committee was excellent. Though the Budget Committee brought to the table a diversity of opinions, the process of meeting with departments, examining individual line items and arriving at consensus has been thorough. Jessie Levine said the Budget Committee's subcommittees may meet again before Town Meeting if they wish. Selectmen agreed that it would be helpful to have Budget Committee representatives speak on given issues at Town Meeting, though they would be reluctant to slow the Town Meeting process down.

Jessie Levine referred to Peter Bianchi's concern regarding salaries. At the public hearing, Peter Bianchi pointed out that 20% of New London's employees receive salaries that exceed the maximum level for similar jobs in other towns. At today's meeting, Jessie Levine pointed out that in New London, 20% equals about eight employees, and the Town does indeed have eight employees who have been here longer than ten years. Doug Lyon agreed that that is an issue that will come up whenever you have a step

system. He noted that the Budget Committee has established a new subcommittee that will be studying personnel issues this year.

3. Draft Warrant—Subsequent to the recommendation made at the Public Hearing, Jessie Levine has included the statement at the bottom of each financial warrant article informing voters of the impact on taxes per thousand dollar valuation.

She reported that she has received an email from a concerned Budget Committee member suggesting that the wording of the bond article not mix the purchase of the Inn land with conservation, as the plan for it is to include some parking. At this meeting, she pointed out that between the January 29 draft and the February 7 draft, she removed the reference to parking and includes only the reference to the front portion that will remain undeveloped except for the warming hut adjacent to the skating rink. Doug Lyon suggested she put the reference to parking back in, in order to alert the voters. He observed that there is no reference to conservation in the wording of that article. Mark Kaplan pointed out that the view of the lot from Main Street will not change, and he reminded everyone that that was something about which people felt strongly when the improvements to this Academy building were presented for approval. Jessie Levine said it has been verbally agreed with the owner that the lot would remain undeveloped except for some parking in the rear (and the warming hut).

She said she has rearranged the order in which the articles will appear so that the sewer article comes earlier in the meeting (it will be first after the bond and all the money articles), followed by the two easement articles (Library building improvements and the Inn land), the two solid waste articles (to dissolve the Sullivan County Regional Refuse Disposal District, or to withdraw from same), and then the petition articles (re: global warming and emissions reductions). She has observed that the contract for solid waste (which has been received at the Town Office, but not yet signed) refers to a “ballot” rather than a “warrant.” New London is a Town Meeting town, and she will check with Bart Mayer to see if the terminology is okay as it is. Also, she has emailed the draft warrant to Cotton Cleveland for comments.

Bob Lavoie asked when the draft for the amended Selectmen’s proposal to the Sewer Commission will be ready. Doug Lyon assured him that if it is not ready by today, it will be by tomorrow’s (Feb. 13) Sewer Commission meeting.

4. Citizens’ Advisory Committee Schedule—Selectmen scheduled CAC meetings for March 3, April 14, May 19, June 16, July 28, September 18, October 6, November 3, and December 8.

OLD BUSINESS

5. Public Hearing for the Bond—Jessie Levine has scheduled the public hearing for both the Library building improvements and the Inn land purchase bonds for February 20 at 9 a.m., as part of the regular Selectmen’s meeting. She reminded everyone that the agreement is that the bond will be worded for an amount up to but not to exceed \$160,000, and that the Library Trustees and Building Committee will return to the Budget Committee to discuss the specific plans when those are determined. Doug Lyon reiterated the benefits of working with local banks rather than the bond bank. The Town can word articles in that way in order to reserve the money, but are not required to draw all the money down should it not all be needed, nor will the Town be required to pay interest on any amount not taken out of the bond.

6. Roundabout Information Session—Doug Lyon said the CAC has recommended that the final information session be more of a summarized version of all the information that has been presented over the past two years—perhaps more of a question and answer format, and that the same question and

answer format be used in FAQs to appear in the *Shopper* and newspapers between now and Town Meeting. He said that leaves the question of whether or not to make the full presentation at Town Meeting, or just a short version. After some discussion, Selectmen and Jessie Levine agreed to make a capsulated version of the major points at Town Meeting, but to be prepared with slides and other visuals and data in order to make the full presentation should they find that people are asking questions that would recommend that.

As a point of information (just as Legislative representatives were beginning to arrive at the meeting), Jessie Levine reminded the Selectmen that the professional association of contractors in New Hampshire is trying to have passed a bill that would increase the gas tax and support the State's 10-year plan for road repairs. As things stand now, many roads and bridges in the State remain in a deteriorated condition.

7. Solid Waste Disposal—Mark Kaplan reported receipt of a phone call from a representative of Wheelabrator, saying that that company is now prepared to reduce its tipping fee to \$85 (from \$92). He pointed out that Wheelabrator is no longer paying off the bonds on the Claremont facility, and also it has received much more per kilowatt of electricity produced than the anticipated 5-cents.

Selectmen agreed that they are comfortable with the arrangement that has been made with the Town of Meredith and the landfill at Berlin. The Berlin landfill has cited a tipping fee of \$48/ton, and has assured New London that that will remain stable for at least four years. Jessie Levine asked if Wheelabrator's new offer of an \$85/ton tipping fee would be stable. Mark Kaplan said he did not ask that question, but has offered to sit down with someone from Wheelabrator. He has not heard back on that yet. He said one question he has is, why does Wheelabrator deal differently with this Claremont facility than with others, such as the one in Penacook?

Selectmen noted that even with the added cost of paying a private hauler to take it from Meredith to Berlin—an additional \$20, that will be \$68 per ton, far less than Wheelabrator's \$85. The arrangement with Meredith and the Berlin landfill will save New London at least \$70,000 per year. (As the contract with the Claremont facility is due to expire and the new arrangement with Meredith and the Berlin landfill to begin on July 1, a \$35,000 savings will be realized in 2007.) Jessie Levine noted that if the Town were to go with the Claremont Wheelabrator again, it would still have to pay to haul the trash from New London to Claremont, and that is no more or less than hauling it from New London to Meredith. It will involve the same number of trips. Note made that either way, the Town will be asking voters to approve purchase of a third refuse trailer this year, and that money will come out of the Highway Equipment Capital Reserve.

Randy Foose asked why New London does not go with the one in Penacook. Selectmen and Jessie Levine explained that there is a coalition of towns using that facility, and New London has not been able to get in. Jessie Levine noted that that facility does allow some other towns in at the spot-rate, which is generally high, and that would not be helpful to New London. County Commissioner J.D. Colcord said it is not really true that the Penacook Wheelabrator is filled. He said they do some spot marketing, including from individual towns in Massachusetts. He suggested New London could break that mold if it wanted. Both Selectmen agreed that at this point, the arrangement to take New London's trash to Meredith and have it hauled to the Berlin landfill—for a total price of \$68/ton—is a good one, and there would not likely be much savings over that if New London were to change to the Penacook Wheelabrator.

Welcoming Senator Odell, Legislators Randy Foose and Dave Kidder, Commissioner J.D. Colcord, Newbury Selectmen Jim Powell and Newbury Town Administrator Dennis Pavlicek, Doug Lyon said the

New London Selectmen suggested this meeting for a two-fold purpose: to discuss Sunapee's proposed change in county apportionment, and to be brought up to date on other issues pending before the House and Senate.

J.D. Colcord reported that the County budget for 2007 as it has been presented has increased to \$63 million. That's a 19.6% increase to taxpayers. He said that budget has gone before the delegates for discussion, and has been somewhat reduced in subcommittee meetings. The County carries a huge bonded indebtedness, having just built the new prison for \$24 million. That facility's personnel now total 120. The plan on the table is to renovate the old facility to reopen as a women's prison within the next year or two. He added that the new men's prison is already undersized. Having been built for 236 inmates, it now houses 270, at a cost of \$65 per day, per prisoner. As the meeting went on to discuss health care costs, he said that the prison system spends \$1.4 million on health care for prisoners annually.

He reported that the County will also be looking at building a new nursing home at an estimated cost of \$46 million. It will include 286 beds, and 100 units of assisted living. There are 24 assisted living units now.

In response to Doug Lyon's question, he said that a breakdown of the County budget is \$9 million for the prison, \$25 million for the nursing home, and \$11 million for human services. There is little discretionary spending. Altogether, he said, the County employs 700 personnel, and it does not "invent" jobs, but does what the Legislature says it must. The biggest cost to County is Medicaid, though he noted that there are not many Medicaid patients from New London. The formula for Medicaid dictated by the Federal Government is that the Federal will pay 50% of Medicaid costs, and the State will pay 50%. The State then worked out a formula by which the County pays 25%. Since it falls to the State to set the rates, and it sets them artificially low, the State really pays only about 18% of Medicaid costs, and the County (read Towns, read property tax payers) must make up the difference. For example, a bill of \$220 a day will be reimbursed \$70 by Federal, \$35 by the State, and the County must pay the difference of \$115. Doug Lyon said it is not just nursing homes but also hospitals that get clobbered by that formula.

Mark Kaplan pointed out that the State has more ways of raising revenue than do counties and towns. The Towns only have property taxes that can be raised. He opened some discussion about raising the cigarette tax, for example. Senator Odell agreed that that would be a good health policy, and with the proposed increase of 27 cents, cigarettes in New Hampshire would still cost less than in surrounding states. He pointed out however, that that increase would not generate enough revenue. No single tax can make up for the current structural deficit.

He went on to say that Medicaid is the fastest growing area of the budget, and will soon surpass education costs. Though Medicaid began as a program to help the poor, it has now become a middle class entitlement. Dave Kidder said that compounding the problem is the rising cost of health care in general, and Doug Lyon agreed, that is why Medicaid has evolved from a program for the poor to one used by the middle class; cost of health care is now beyond the reach of the middle class. Everyone agreed that the problem has become acute as a larger segment of the population ages, and lives longer. J.D. Colcord pointed out that not only are nursing homes caring for older, sicker people, but they are providing things that used to be provided only in hospitals such as dialysis and i.v.'s. Bob Odell said that monitoring and oversight in nursing homes are much improved now, and that no one is turned away. The County pays 25% of the cost whether in the County nursing home or in a private nursing home, and actually, it is cheaper for the County to pay 25% of a private home's cost, as the facility simply parlays the difference among those who can pay. The idea that home care could be provided for less has just not worked.

Doug Lyon pointed out that the current system violates the basic tenet of insurance: to spread the cost across the largest pool possible. Bob Odell agreed. He said that the Medicaid deal was cut sometime between 1965 and 1967. At that time, the federal government should have put in a national system. J.D. Colcord said that although the members of the Association of Counties rarely agree on anything, they have agreed to let the current Medicaid arrangement sunset on June 30.

Jim Powell asked what is being done in Concord to get a handle on this problem. Randy Foose said a number of people are looking out multiple years for a solution—taking a hard look at the State’s tax structure. J.D. Colcord said there is a bill pending that will base the Medicaid tax on assessment. That means that some counties would see a reduction—for Coos \$3.5 million, for Merrimack \$1.5 million, and some would see an increase, for Rockingham \$6.5 million, for example.

Bob Odell said that 2004 statistics indicated that on average, property taxes covered 30% of a state’s expenses (not in New Hampshire). The lowest was 15%, and for New Hampshire the number was 61.9%, 15% more than any other state, generating a host of problems for New Hampshire that other states do not have.

Doug Lyon asked about Sunapee’s proposed change in apportionment bill. Representatives present at this meeting did not think it will pass, and Bob Odell added that the inclination toward that change is not uniform within communities like Sunapee. He sees much more uniformity of opinion on the school tax.

Returning to the topic of tax structure, Randy Foose said he has seen a dramatic change in New London, in attitude toward the idea of a broad based tax, but everyone agreed that there is still a psychological barrier against that. The property tax has been a two-centuries old institution in New Hampshire. Bob Odell pointed out that comparing a tax card from 1930 to one from 1950, shows the change in cost of government. It was then (in the 50’s), that costs of schools began to get ahead of inflation. Doug Lyon pointed out that it was also at that time that small town schools were eliminated and regional districts were developed. Quality of education was improved that way, but costs escalated.

Doug Lyon asked if there is any plan on the table (for change in tax structure) now. Bob Odell said not that he knows of. He reported that the Governor will hold a press conference at 1:30 today to propose a definition of “adequate education,” but added that the Governor is rock solid against a sales or income tax. And he noted that this Governor won reelection by a very high margin—essentially, he got a mandate re: the broad based tax.

Randy Foose said that one obstacle is that local governments insist on providing their own services, some of which are also provided at county level, for example dispatch and sheriff’s office. Doug Lyon pointed out that they will always need some services as a police department, locally. The county is not going to send someone out to stop speeders on Main Street. Jim Powell said Newbury did look at the cost of using the county dispatch, and found it cheaper to use New London’s. Plus they felt that because of New London’s proximity, addressing problems that might arise would be easier with New London than with the County dispatch. Dave Kidder suggested the possibility of using the county for some services. That would cut some overhead costs. Jessie Levine said New London does use the County Prosecutor. Doug Lyon said the Selectmen are willing to look at any way to cut costs. New London does have joint arrangements for assessing, solid waste, sewer and dispatch.

J.D. Colcord reminded everyone that originally, he ran on the idea of eliminating county government. Now, he said, finally, the legislature has agreed to study that, and has established a 26-member commission.

Randy Foose asked the Selectmen how they would like to see the Sunapee apportionment bill addressed. Doug Lyon said that there does not appear to be a huge advantage to it. As Jessie Levine earlier pointed out, there would still be a balance to be paid (after the apportionment formula being proposed is worked out), and that would still hit the wealthier and the less wealthy towns.

Mark Kaplan said in sum, the legislature passes cost on to the county, and the county to the towns, specifically, the taxpayers. All the representatives at this meeting agreed that a state-wide sale or income tax would be a political battle. Politically, it is simpler to continue the property tax. Doug Lyon said that this is going to have a long-term social impact. The State should be striving to provide the best education, not just an adequate education. Dave Kidder agreed, noting that this year, 14 New London middle school students have applied to Proctor.

8. Other Items of Discussion

- o Peter Stanley requested Selectmen's permission to represent New London in speaking against passage of House Bill 565FN at the February 22 hearing. That bill would prohibit use of leg hold traps and conibear traps, not mouse and rat traps. The Fish & Game Department has come out with a statement that passage of the bill would eliminate their most effective method for managing certain animals. Peter Stanley said New London also would have a problem if it were not allowed to call a licensed trapper to eliminate certain nuisance animals, such as beaver that may be causing flooding over roads, trails, basements and yards. He said there is no other method to effectively address these problems. It is impracticable to live trap and relocate them. Mark Kaplan asked if there are more of these animals as the years go by. Peter Stanley said there are more people affected by them. Mark Kaplan moved to authorize Peter Stanley to speak for New London at that hearing. Doug Lyon seconded. No further discussion. Motion unanimously approved. Jessie Levine suggested Peter Stanley also get endorsement from the Conservation Commission.
- o Selectmen noted that there has recently been some discussion regarding the possibility of eliminating retirement plans from the list of assets that are counted when someone applies for the elderly tax exemption. The Local Government Center will be looking at the math, and discussing that at future meetings.
- o Selectmen reviewed the draft letter to Robin Cook regarding the generator at Hilltop.
- o Selectmen reviewed the draft of their proposal in response to the Sewer Commission's suggestion regarding the hiring of an engineer and incorporating some changes requested at that Commission's February 6 meeting.

Selectmen agreed that it is imperative to "put to bed" the notion that the whole Town will pay for Sewer Department expenses, and agreed that the Public Works warrant article would be a good one for the Budget Committee to speak on at Town Meeting.

9. Building Permits Signed:

- o Christopher and Sara Caron, 240 Bunker Road (Map 062, Lot 036), permit to increase length of garage from 24' to 32', all other dimensions remain the same – Approved (Permit 06-080)

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- o Jean M. Bolger, 244 Pleasant Street (Map 074, Lot 012), amended permit to finish basement under new constructed addition covered in initial permit – Approved (Permit 06-125)
- o Victoria Rublee and Threem Revocable Trust, 734 Burpee Hill Road (Map 056, Lot 003), permit to remodel barn upstairs – Approved (Permit 06-149)

10. Permit Applications Signed: NONE

11. Other Items for Signature:

- o Disbursement & Payroll Vouchers for the week of February 12, 2007 – Approved
- o Cartographic Associates, Inc. - GIS Services Maintenance Agreement - Approved

Meeting adjourned at 10:30 a.m.

Respectfully submitted,

Sarah A. Denz
Recording Secretary