

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

Meeting Attendees:

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

Chair Helm called the **MEETING TO ORDER** at 7:30 AM. She asked for a moment of silence to remember the victims of the 9/11 disaster, which happened nine years ago.

Chair Helm noted that there had been some conversation lately about the speed limit on Newport Road. A week ago the Selectmen held a public hearing and have asked the State to put out some strips on the road that would record speed limits and give them data. She said that she was pleased as to the number of emails people had sent to the Board of Selectmen about this issue, and she hoped that in the near future they would be able to make a thoughtful decision on the speed limit. It was ultimately up to the State of New Hampshire DOT, but the change, if any, would begin with the request from the Board of Selectmen.

Chair Helm said that there was continuing concern about beach usage, which was going to be on an upcoming Board of Selectmen meeting agenda. No specific date has been set for that discussion.

Chair Helm said that they are in the budget season at present, and felt it would be important for the people of the CAC to be able to explain the process to voters who may ask them about it. Additionally, she hoped to allow enough time to talk about anything else that was on their minds.

Chair Helm passed around a copy of the budget schedule and noted that Ms. Levine would give an overview of the 18-month budget process for this budget season to get them through the fiscal year transition. Ms. Levine explained that Town Meeting has to approve the 18-month budget, but per state law, the Board of Selectmen and the Budget Committee can approve the fiscal year change, which they did last year. Ms. Levine said that the little response she has received from voters about the fiscal year change has been positive.

Ms. Levine said that on March 9, 2011 the Board of Selectmen will present an 18-month budget to the town. Chair Helm said that they are committed to the 18-month transition, even though it is challenging. The most important thing is education and she hoped some of that education would begin with those from the CAC. She noted that they should not hesitate to ask the Board of Selectmen questions about the process at any time. Mr. Kaplan felt there were tremendous advantages for having the fiscal year begin on July 1 instead of January 1. The State and school both have a July 1 – June 30 fiscal year. Conforming to that timeframe makes the town's budget process more in line with what everyone else is doing. They are also going to go to quarterly billing, which they feel is a big advantage. Breaking down the payments into four installments is easier to pay than just two. Mr. Markoff asked if there was any interest charged for quarterly billing versus paying semi-annually. Ms. Levine answered in the negative, but said that there would be interest charged for late payments.

Mr. Kaplan explained that this quarterly billing would hopefully remain and was not intended just for the change-over. Ms. Levine said that this decision to keep quarterly billing would be voted on at Town Meeting. It seemed to be the best way to pay for the 18-month budget. If they do not use quarterly

billing, they would need to dip into surplus or bond for the expense of the additional six months. Both ways (semi-annually or quarterly billing) will cost the same in the long run.

Ms. Piotrow asked if the town would be sending four notices out to taxpayers instead of two. Ms. Levine said that they would send two vouchers out, twice a year. They would also be reminding people in ads in the Kearsarge Shopper and in emails, that bills will be due on a certain date. Chair Helm said that one of the advantages of changing the fiscal year was that it has been dicey as to whether they could meet their commitment to the school board by about three months. They have never had to borrow money to cover that time, but now they will be in synch with the school. Ms. Piotrow wondered when the bills would be due. Ms. Levine said that they would be due the first of the month of April, July, October and December. She said that cash flow is a big reason for the fiscal year. They are usually in a hole between December and June when they receive their next collection. The budget is approved in March but they cannot begin work on most large projects until additional money comes in. Changing the fiscal year would allow the town to pay the school on time, and when the fiscal year starts on July 1 they will have just collected taxes and can move ahead with projects. As it stands now, they lose five months of efficiency in the beginning of the year. They can't make major purchases unless it is from capital reserve funds, and can't begin new projects. Town Meeting approval would be in advance of the fiscal year. The fiscal year aligns New London's budget season with the State's. The State has been making major cuts in May or June, after the town budget had already passed. This will allow for some time to make some adjustments in their budgets if need be to cover for the State's shortcomings. Chair Helm said that during the transition period, they will try to put themselves in the shoes of the taxpayer and understand any frustrations associated with this new billing method.

Ms. Levine said that one of the reasons they had to wait for 2011 to adopt this new practice is because they had to make a change to the law. Towns and cities can adopt quarterly billing but the first tax bills must be due April 1, which would hardly allow New London time to prepare the bill after Town Meeting, and have it sent out and be paid. They had to have the law amended so that the tax payers would have no more than 45 days from Town Meeting to pay their first bill. In the first year the estimate should be due around April 15. Ms. Levine noted that the City of Concord was the only other municipality in New Hampshire that has done their billing this way. Chair Helm said that there are ongoing numbers of towns changing over to the optional fiscal year.

Ms. Levine said that the purpose of her timeline handout was to show that over the 18 months the out of pocket is virtually the same between semi-annually and quarterly billing. The only difference is that they have an additional collection in April, which then begins the three month collection. This helps the town fund the six months. Ms. Levine explained that she and Michael Doheny talked about the banks in town offering low-interest loans for homeowners who would struggle with the extra payment in April. She spoke with one bank and found that most banks offer such low-interest loans to homeowners and that no special program was required.

Ms. Levine said that the transition of quarterly billing allows the April collection to provide funds for the six months of expenses. Mr. Hoke said that if they start the quarterly billing in April 2011 and end in July 2012, at that time, they would have funded 18 months of budget in 15 months and then will be paying in advance from then on. Ms. Levine said that this was correct. The change proposed at Town Meeting would be to instill quarterly billing, which would cause the least impact to the taxpayer.

Mr. Markoff felt there would be a lot of question as to where and when the impacts would hit. From the school board perspective he had some observations. There was a surplus to be returned to the town based on the fiscal year being finished. The amount of the surplus was not unsubstantial compared to prior years and that is because there have been federal dollars sent from the State that will continue until June 2011.

Common thought is that the State is spending too much and that cuts need to be made to the federal budget. The impact of that thought will mean fewer dollars sent to the State and then on to the schools. The State will expect the towns to pick up the costs. Additionally, the donor town issue is back in play which could leave New London responsible for about a million dollars, which would mean \$1 added to the tax rate. Every time there is a surplus at the school level, it has to be returned to the town, which he did not agree with. He felt they should keep at least half for a fund to relieve the pain in the future when less funding is offered to schools. Once they hit June 2011, the federal support will be pulled back. He feels it would be difficult coming through the payment cycle with these unknowns looming. Ms. Levine said that her calculation was only representing the town's taxes. The school, county and state will continue as-is. The town was the only one changing.

Mr. Kaplan said that both the legislature and the administration are aware of this type of thing where schools are not able to keep a surplus as a "rainy day" fund. There are people who want to put through a bill to enable the school district, if they have a surplus, to put it away. It has never been done before. He said that there is a movement afoot to put forth such a bill to maintain their surplus. Mr. Kaplan admitted it was difficult to get anything through the legislature. Mr. Markoff said that this money could be used for special needs students, for example, because it is difficult to budget not knowing who might move into the district over the summer. Ms. Levine said that there is already a school district fund set up for this purpose, although she did not know the balance of the fund.

Mr. Payne thought there was a decrease in enrollment this year in the school district. Mr. Markoff said that New London's enrollment was down, but some other towns were up. He didn't want to speculate on the reason for this.

Mr. Cardillo felt it would be easier for the town to wrap their arms around a quarterly payment. He thought it would be a difficult task for department heads to come up with 18-month schedule and felt it would be even more difficult for the Town to analyze the budget, as the economy hasn't really improved since last year. The challenge for them is to present this idea to the taxpayers so they will have a clear ability to look at 12 months last year, and how it will relate to 12 months plus six months. Ms. Levine said that that is how the department heads are crafting their budgets. They looked at the previous year and looked at what was coming up for the CIP in all departments. They made sure that there was only one deposit and expense in that 18 month time line. The annual deposit and expense will happen only once. Ms. Levine said that the department heads were carefully focusing on being able to explain what a 12 month expense was, and what a 6 month expense was. She thought that educating people in this beginning phase was most important.

Ms. Levine noted that the Board of Selectmen charged the department heads with coming up with no more than a 2% increase for the next 18 months.

Chair Helm was concerned with the education of this program. She wondered if anyone had any ideas on how they could reach the taxpayer to make sure they understand the process. Mr. Markoff thought they should put the timeline that Ms. Levine passed out, in with the first tax bill. He suggested also creating a PowerPoint presentation online, and giving the details in the Intertown in her weekly article. Mr. Doheny thought they should have a series of public forums. Mr. Cross said that our seniors would not come to meetings or be able to understand this information on the internet. Ms. Piotrow said that they should just stress that taxpayers will not pay anything extra in 2010. The only thing is that they will pay the total in four installments instead of two.

Chair Helm felt a series of small neighborhood meetings could be effective. They should go to Hilltop, COA, Highland Ridge, Lyon Brook, etc., and gather in small groups, even in someone's home. She

wondered if anyone would be willing to open up their own homes for these types of meetings. Mr. Payne thought that they could probably overcomplicate this issue. They don't want to make a big deal out of something that isn't that big. Basically, the town needs to get in synch with the State and school budget timing. He didn't think they should blow it up into something that seemed very complicated.

Ms. Levine said that if people want their help with the explanation in a public forum, they will be willing to do it. But she agreed with Mr. Payne that they shouldn't make a huge deal about it. The more complicated they make it seem, the more worried people will be come. Ms. Piotrow said that many residents will be sitting in Florida in April and will be confused about what was going on. She opined that those people needed to be reached somehow.

Mr. Cardillo asked how the 18-month budget affected the point in time when the town portion of the tax rate was set. Ms. Levine said that this wouldn't change and would always be set in October. December 1 would be the first bill that reflected the new tax rate for the fiscal year.

Mr. Hoke said that if they find they need someone to speak on these things, he'd be happy to. He agreed with Mr. Payne that explanations should be simple and clear.

Chair Helm said that they plan to ask Town Meeting to approve changing Town Meeting from March to May, which would be effective in 2012. This would hopefully allow those who are not in town during March to be able to make the meeting in May.

Mr. Sheehan observed, having been involved in the budget process last year, that the Board of Selectmen defined or proposed a budget increase limit for the department heads this year and he felt that was good guidance. He did not think this was done last year, which didn't help the process. He felt they were on the right track. Chair Helm said that they are all trying to have better leadership this year than last year.

Ms. Bingham questioned the funds for lake associations for the milfoil protection fund. She remembered that this was a proposed change for the budget process but wasn't sure where it fit into the schedule. Ms. Levine thought that the lake associations had been notified of the budget process, but she will confirm that. Ms. Levine said that in the past they set up a capital reserve fund to pay for a milfoil program, with part of the money set aside for any instances where they would have to treat milfoil and the rest going to the associations to pay for lake hosts and management of the program. In time, due to waning deposits, they spent down all the money that was being saved for treatment in order to pay for the lake host program.

Ms. Piotrow said that the date the taxpayers are to pay and the amount they were to pay was the crucial issue. She thought they should avoid the word "arrears." Ms. Levine said that it was not her intention to use the timeline that Ms. Piotrow was referring to as a teaching tool without being there to explain it.

Chair Helm said they are very committed to making this transition work. They want people to truly understand it. If they feel or hear within the town that they are not doing enough, she asked them to please let the Board of Selectmen know.

Mr. MacMichael said that he was a member of the Board of Selectmen for 9 years, and things were so simple then and he wasn't sure how they operated. He said that it boils down to this: "write the check!" He was all for the meetings they would have in order to keep it simple, and he was in favor of paying bills quarterly or even more often. Ms. Levine said that Linda Hardy (Town Clerk/Tax Payer) has said that a lot of taxpayers have asked for a better mechanism to pay taxes and thinks that quarterly billing may be the answer.

Ms. Loeffler commented that she was concerned with the capital funds and pressure to keep those low due to the economic times. She felt that they should make sure they have that cushion there and hoped there was not too much pressure to eliminate or reduce those programs.

Mr. Bianchi said that the statewide property tax will also add more expenses, as would any lack of income they may get from the State. Due to the donor town tax, everything else being equal, the tax rate will go up \$1 and they have no control over it. Mr. Bianchi explained that Mark Kaplan has worked a lot against this tax and has been talking to a lot of people about it, but there has not been any progress. There are a lot of unknowns out there and there is a lot they have no control over.

Chair Helm said that the Selectmen will meet with the Sunapee Sewer Commissioners on September 30 to discuss the wastewater project. An engineer has been looking into alternative approaches. Ms. Levine said they are on the list for a state grant, which is for 25% funding; 35% is what Town Meeting approved. Federal grants are given out by income and New London's median was too high, but Sunapee was approved. State grants are given out by sewer rates; New London's rates are one of the highest in the state, so they qualified, but Sunapee did not. They are wondering if a combination of the two grants will work. The other thing that is being looked into is how the project could be phased so they are working on a series of smaller bonds instead of one large one.

Mr. Markoff recommended that if they have to bond, this would be a good time to do so because rates are low. Ms. Levine agreed with Mr. Markoff and said that it is likely that there will be a bond for Library repairs as well. The Library originally requested four years of about \$90,000 for capital improvements to the building, and the CIP subcommittee recommended bonding \$350,000 to frontload all the work and then future taxpayers will pay instead of it having to be paid over the next four years.

Chair Helm said that there were no resolutions for the Mill Pond dam at this point. They are in the process of getting a second engineering and legal opinion. The Mill Pond dam is the one that was under the Mesa building (which has recently been torn down). The Pleasant Lake Dam is also deficient and they have to repair it. Ms. Levine said they want updated engineering done. The State increased the rating of the dam, as there are some structures downstream. If the dam let go, the structures would be damaged and people could be harmed. The dam is ranked from significant hazard to high hazard level. Ms. Levine said that they have to pay for an engineer to do a design to prove that the dam is designed correctly. It may not result in any work, but they have to go through the exercise to show that it would hold back two and a half times the water from a 100-year storm.

Rick Anderson said they used to create standards for 100 year storms, but used only 30 years of data to come up with those standards. Now the standards have changed and the State is requiring they be met.

Mr. Lavoie asked if the CIP was made up from members of the Budget Committee. Ms. Levine said that it is comprised of three members from the Budget Committee, two from the Planning Board, and one from the Board of Selectmen.

Mr. Bianchi noted that Norm Bernaiche, Town Assessor, has been working on the 5-year reevaluation of the town. The taxpayers will receive a letter saying that their property has been assessed at "x" amount. Any given property may go up or down. This exercise will be a leveling out process to get everyone on a fair and equal basis. September 20 is when Mr. Bernaiche is scheduled to present his final report to the Board of Selectmen. If people feel that their assessment is too low or high, they are encouraged to contact the assessors. Mr. Kaplan said that the town is required to do this assessment every five years.

Sunapee is on the same schedule as New London, and Newbury would be done next year. Ms. Levine said that it will change the bill in October with the new value.

Mr. Doheny said that Monday would be the 9th annual Hometown Heroes dinner at the Fire Station. This is an annual appreciation dinner for all EMT, Fire and Police Department members in the town. It would be held from 4:30 pm – 6:00 pm and would be a potluck dinner. Drop-off for food items would be between 2:30 pm – 4:30 pm. Mr. Doheny said that the dinner is usually well-attended. He urged people to just stop by and say hello and say thank you to all emergency personnel in the town.

Mr. Doheny also remarked that the new flags along Main Street were fantastic. A group of his friends want to continue the flags to Springledge Farm. Chair Helm said that Dick Leach came to the Board of Selectmen last month and asked to put the flags up on his own dime. He saw the same thing done in some other towns and he wanted to do it in New London. The Board of Selectmen gave him permission to do this. The Town had to obtain permission from PSNH and TDS. Ms. Levine said that the CAC meeting counts as a Board of Selectmen's meeting and if they authorize her to apply for permission from PSNH for the remainder of the poles, she could do so.

Mr. Harrod said that he spent 30 years representing the US overseas and watched them run the flag up the pole and down, and that the flag code says not to display the flag at night or in inclement weather. He wondered if they would be taking the flag in every night and in the rain. Otherwise they are in violation of the US code. Mr. Doheny thought the respect that is showed by having the flags outweighs the disrespect from not bringing them in at night. He would take personal responsibility for the flags and shared that in the past he has purchased a new flag for the elementary school when their flag was aged. The flags would fly from May 15 - Nov. 15 and will be taken down in the winter.

Chair Helm asked if the Board of Selectmen would like to make a decision right then and there. Mr. Bianchi thought they should know the pole numbers to get permission from PSNH.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to put flags up from Artisans to Springledge, amounting to 27 poles and that Ms. Levine would contact PSNH and TDS to gain permission to affix the flags to their poles.

Chair Helm said that to gain permission, they would need the pole numbers.

Mr. Cross said should be some communication to let people know why the flags were there. Secondly, if they can find people interested in the flags, maybe can find someone who would be willing to put signs out at either end of town. Chair Helm agreed.

A vote was taken by the Board of Selectmen. THE MOTION WAS APPROVED UNANIMOUSLY.

Mr. MacMichael thanked the Selectmen for approving the flags. He said that he always marveled at how beautiful the flags are in other towns. He came into town from Elkins on the day they were put up and had a lump in his throat when he saw them. He called the gentleman who put the flags up and thanked him for it. He said that he respected what Jack Harrod said about taking the flags down, but he felt that as long as they were kept in good shape, that was good.

Mr. Lavoie suggested asking the State to put a sign up upon entering town on Newport Road that says "Entering and Turning Traffic" to caution people. Ms. Levine and Chair Helm said that they have talked about this. Once they get the speed strips out, that will give some good data and they can move forward

appropriately. Mr. Markoff asked if the speed in that area was ever anything different. Mr. Kaplan said that the 50 has always been 50, but a 30 mile per hour zone had been extended several years back.

The next meeting of the CAC was scheduled for October 9th and Tom Galligan from Colby-Sawyer College would be speaking to them.

More information on the assessing process, sponsored by the Messer Pond Association, would be held on September 15th in the Syd Crook room of the Town Office.

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London