

Citizens Advisory Committee Meeting
February 5, 2011
7:30am

Meeting Attendees:

Tina Helm (Chair, Selectmen), Peter Bianchi (Selectman), Jessie Levine (Town Administrator), Jack Harrod, Hardy Hasenfuss, Rick Anderson, Joe Cardillo, Bob MacMichael, Howard Hoke, Will Kidder, Karen Hoglund, Vahan Sarkisian, Rip Cross, Jack Sheehan, DJ and Robert Lavoie, Phyllis Piotrow, Raymond Ettenborough, W. Michael Todd, Ann Loeffler, Rich Anderson, Carolyn Lockhart, Dave Payne, Bob MacMichael, Bud Dick, Joe McCarthy

Chair Helm called the **MEETING TO ORDER** at 7:30 AM.

She welcomed the attendees to the meeting and brought attention to the new closet that had been constructed in the conference room, which would be used for Emergency Response Service materials and other storage. The closet was constructed where the room divider had been, which had been used very little in the past.

Chair Helm also announced that Candidates Night would be on February 24th at Whipple Hall, which would give an opportunity for voters to meet those who would be running for the various open positions within the town.

Chair Helm indicated that there would again be a potluck will before Town Meeting, which would be held in the multipurpose room of the elementary school at 5:30pm. They are currently looking for some volunteers to help with some light clean up after the dinner. She asked those interested in attending and helping to contact Linda Jackman.

Chair Helm said that she had been given a draft of the warrant that morning, which she would read through and those present were welcome to share their thoughts. Ms. Levine said that the warrant wouldn't be on the Town's website until the Board of Selectmen has approved it. It wouldn't be fully approved until February 14th as it has to tie into what the Budget Committee approves. The last budget meeting is on February 14.

Article 1A and 1B: These articles refer to the open positions within the town to be filled, as well as three zoning amendments that have been proposed. The amendments are meant to clean up and clarify the zoning ordinance.

Article 2: This is what W. Michael Todd will read when opening Town Meeting on March 9. If approved, this article waives the requirement to read aloud the text for each article.

Article 3: This article is for the \$5.2 million wastewater bond, which is New London's share of the \$8.5 million Sunapee wastewater sewer project upgrade. Ms. Levine noted that voters approved this last year without a problem, but their approval was contingent upon receiving a 35% grant, which did not go through. It is still a possibility that the town will get a 25% grant from a different source. They will not put that contingency in the warrant article but will borrow if they need to. The warrant authorizes them not to exceed \$5.2 million.

Mr. Bianchi noted that Sunapee will have already voted come New London Town Meeting day, and so we will know their results. Even if Sunapee does not pass their portion of the funding, they will try to use New London's funding, if passed, for upgrades. Mr. Hoke asked if they would raise any of the funds by taxation or if they would just borrow right away. Mr. Bianchi said they would borrow. Ms. Levine said

that if the vote didn't go through in Sunapee, they would go back and again prioritize what should be repaired at the wastewater plant first. If that came to \$2 million, for example, that is how much New London would borrow; they wouldn't just go through with the entire \$5.2 million.

Mr. Bianchi said that the type of grant they are hoping to get is a loan forgiveness grant. They borrow and as they pay it back, the grant awards them with 25% as they pay it. They won't get the last 25% for 20 years. Mr. Bianchi said that they had initially believed that Sunapee had all the money in the bank but it appears that they don't. They had to spend down the money they had saved in order to try to get the grant they wanted last year. They will have to bond or get the money through taxation. They weren't as confident during the last few meetings. Ms. Levine noted that Sunapee does qualify for the rural development grant that New London tried for last year.

Phyllis Piotrow thought that they shouldn't publicize the fact that New London would still go for the bond even if Sunapee doesn't get approval for their share at Town Meeting. Mr. Bianchi said that New London has taken this position and they want to get the project going. He said that New London has their own engineer to review the plans for the plant. His name is Ed Rushbrook from Underwood Engineering. They are trying to make sure only the necessary things are included in the plan.

Rip Cross asked why Sunapee's total fee was on the back of the user and it was not the same in New London. Mr. Bianchi said that the Selectmen voted last year that 1/3 would be charged to everyone, and 2/3 would be charged to users. Non-users still benefit from having a sewer system in the town, which service the retail district, the hospital and the college. Ms. Levine noted that putting \$5.2 million entirely on the sewer users is steep. The average increase for users would be almost \$500/year. If a portion is shared by the taxpayers, the average tax bill goes up about \$40/year and the user's portion increases by about \$320.

Joe Cardillo asked if the loan forgiveness grant had been applied for yet. Ms. Levine said that the application was done in the spring or fall of last year and they were among the top eight projects chosen. They have been told that they have qualified and have received that grant, but the money is not there yet. The State has to match the federal funds, and the State budget is not done yet so they will have to wait.

Vahan Sarkisian asked if New London was restricted as to the amount of sewer they can put into the plant. Ms. Levine said that they own 2/3 of the capacity and it is not at capacity yet. Even though it is not at capacity, the operations are inefficient and stressed. Repairs and upgrades will allow them to use the capacity once it is repaired. The plant is authorized to take in 600,000 gallons/day and currently it takes close to 400,000 gallons/day.

Bob MacMichael said that historically, they didn't even want to go to Sunapee with the sewer, they wanted to go to Andover but the government was paying for it and wanted it in Sunapee. It would have been better and made more sense to have it in Andover because then they could have included Elkins on the way.

Article 4: Ms. Levine said that one of the two bonds before Town Meeting included continuing renovations at Tracy Library. Originally they did not request a bond, but rather a series of major repair requests and \$300,000 over the next three years to get major repairs done. The CIP subcommittee said it didn't make sense to have the current taxpayers pay \$100,000/year for the next three years but would be logical to bond it over 15 years. Ms. Levine said that they will be working on the building envelope area, window leaks, stack room skylight and the roof around it which are leaking, and upgrading walls which are poorly insulated. Ms. Levine noted that it was found that the side entrance canopy was found to not be attached to the building and that the side entrance wasn't ADA compliant, which was requirement that

must be met when renovating. They are also required to install a bomb-proof book return box. The building is old and the addition done in 1990 was flawed. Ms. Lockhart asked if this would all be explained at Town Meeting. Ms. Levine said that it would be and that the Library Trustees were prepared. She noted that the last library bond was in 2007. They have had major renovations done since then, but they were done out of the capital improvement fund.

Chair Helm said that individual boards have been extremely cooperative while working with the Board of Selectmen and the Budget Committee this year and they were all working hard towards realistic budgets that were fiscally responsible.

Ann Loeffler asked if there was anyone with expertise within the town's staff who could look at the town's buildings to see what needed to be done with them. It seemed like they were always looking at things after-the-fact. Ms. Levine said they didn't have anyone on staff who could do this. Mr. Bianchi said the reason it appears that they are always throwing money at the library is that in the past, the town expected the librarian or the custodian to be knowledgeable about the workings of the library. It is unfair for those people to be expected to have that kind of expertise. An energy audit was done in 2006 and much of these upgrades have arisen since then. Mr. Cross thought they should get back in touch with the engineers who worked at the building in 1990 and have them make it right. Ms. Levine said that too much time has gone by and those people are long gone. They are trying to do better to get in front of these problems. The town offices will be energy audited for free from a grant within the next couple of weeks and they hope to find out any problems with the building at that time.

Mr. Cardillo asked what the effect was from the bonding on the taxpayer's rates. Ms. Levine said that the tax rate impact is difficult to determine because of the nuances of the 18-month budget. She will be able to say how much it will cost per year and convert it into cents, but they can't compare last year's tax rate with next year's and have it make sense. Mr. Cardillo thought there would need to be an assumption made so that people can understand and compare a 12 month timeframe.

Ms. Sarkisian asked if it would be a good idea to have something printed up for Town Meeting about the improvements made to the library over the last 10-15 years showing what has been done and how much it cost. Ms. Levine said that Sandra Licks (Library Director) has done that already and she would see if it could be made available.

Article 5: Ms. Levine noted that this article is currently blank but it is for the 18 month budget. They have to approve it as a 6-month budget and a 12-month budget. They had originally planned a 12-month budget and then a 6-month budget, and she is trying to flip those two budgets around, which is not complete yet. Mr. Bianchi said he was all for the transition to the fiscal year but his concern was that everyone should know what they are getting into. Ms. Levine said that in the end it is the same amount of money and isn't costing the taxpayers any more. Internally they are seeing all the bugs and straightening them out. From the outside, people have been positive and have a degree of faith in the administration.

Article 6: Ms. Levine said that this article is here if Town Meeting doesn't approve the 18 month budget. It involves a 12-month budget that runs from January 1–December 31. If Article 5 passes, Article 6 will be passed over.

Article 7: Ms. Levine noted that this article is to get approval to adopt quarterly billing and will be passed over if Article 5 fails.

Article 8: Ms. Levine explained that this article is included to change Town Meeting until May 2012. They can't have a May Town Meeting or quarterly billing if there is no Fiscal Year change.

Mr. Sarkisian asked for some explanation of the increases in Article 6.

Ms. Levine said that the overall budget increases are 0.2%. General government increase is due to the Finance Officer retiring in September and they will have a period of overlap when they have two people on board. They will also have to budget for family health plan because they do not know the family status of the new person that they will eventually hire. This is a \$6,000 increase over a million dollar budget.

Ms. Levine noted some savings, including those from an energy lighting retrofit grant, and also the fact that they changed cleaning contractors that saved 10%. The health plan saved \$50,000 to the town. Deductibles will be \$16,000 and the town will pay those the first year.

The public safety budget went down as the Police Department had increased overtime last year because of the New London court closing and they over-anticipated more travel hours to neighboring courts. Overall, it went down about 4.5% due to them backing off on overtime. The Dispatch budget is level. The Fire Department has less than a 1% increase due to some special equipment requested, including drying rack for fire gear.

The Highways and Streets budget increased to make sidewalk improvements between Seamans Road and Hilary Cleveland's road. They would be offsetting this work by using revenue coming in from the Transportation Improvement Fund, which is comprised of the \$5 residents pay when they register their cars in town. The Sanitation budget increase is wholly because of the household hazardous waste collection event of which there has been significant outcry from residents to have. The cost of this event is \$9,000. The Wastewater budget increase is partially because of payments to Sunapee and the plans to upgrade the control panels at the main plant on Frothingham Road. There are numerous code issues that need to be addressed.

With regards to the Health and Welfare budget, the Town has started negotiations with the hospital to keep their ambulance request level in 2011 and then pay in 2012 based on actual experience rather than pre-paying on projected experience. Hardy Hasenfuss was worried about deferring payments and was worried their responsibility could end up being more than \$40,000. Ms. Levine there was a cap on the price because the cost of running the ambulance was only so high. New London has to pay 27% of the loss beyond the projected loss. There are risks on both sides. Ms. Levine explained that unpaid bills at the hospital were going up, so they have prepaid for that expense in the past. Maybe the hospital has projected too high for next year. Based on actual experience, they may do better than the \$132,000 that was requested initially. Mr. Bianchi said that nothing has been decided by the Board of Selectmen yet. The Budget Committee received a budget including the \$132,000. Mr. Cardillo said that when calculating gains and losses, he wasn't sure they had transparent numbers to determine where the losses are being generated. Ms. Levine said they are working on a study with the hospital to analyze their service and options of other services to the communities. As losses trickle down, New London may be generating or responsible for 27% of the loss, but if they have a tie-in agreement to the performance he thought they should have a cap and revisit it the following year. He didn't think it was as transparent as they thought. Chair Helm said the study was going to help because the model they are using now is not sustainable.

Mr. Bianchi said that presenting the new negotiations with Ms. Levine posed a procedural issue and the Board of Selectmen should have been informed first. However, it is to Ms. Levine's credit that she sat down with those from the hospital to negotiate a better deal. The initial increase the hospital came in with was shocking. Mr. Bianchi said that Bruce King came to the Selectboard in November to present the information, and Mark Kaplan and Peter Bianchi voted to give them the \$132,000 requested. Since then, Ms. Levine has been talking to the hospital with a proposal stemming from an idea the hospital had

suggested that didn't seem to resonate with the Board of Selectmen at that time. They plan to revisit the discussion at their next meeting, the following Monday.

Ms. Piotrow said that she heard that some 400 of the ambulance visits were for lift assists, where the ambulance personnel would come to pick up or help pick up someone up who had fallen down. She said that where she lives, the ambulance, police and fire department come often. She wondered if there could be some exploration of the issue. Ms. Levine said 400 was the number of un-billable calls. Lift assists are included in that number, but any time the ambulance goes out and does not bring someone to the hospital, they are not reimbursed for that trip. Part of the study is to find if there is a better way to respond to those types of calls.

Chair Helm thought that six months down the road things will be different with the ambulance service. Mr. Bianchi offered that the hospital is also frustrated with how this is working and with not getting reimbursed for services rendered if no transport was used. Chair Helm thought there would be meetings held where community input could be raised.

Jack Sheehan said that since they are looking at an unsustainable business model, he wondered why they should buy a new ambulance when they are trying to fix the model. Ms. Levine said hospital has in the figures to purchase a new ambulance and to seek reimbursement over five years. They would be deferring payment on that purchase until 2012 and the new ambulance would replace their oldest truck. Mr. Sarkisian said that if they are studying this, they shouldn't buy a new ambulance until the study is done. Mr. Hoke said that being aware that they don't get reimbursed unless they go to the hospital, why can't they take the patients back to the hospital? He wondered if they could just tell people at the scene of an accident that they have to be transported. He felt that most people would say "no problem" and go to the hospital. Mr. Sarkisian didn't think that would work, as they live in the "Life Free or Die" state and people don't like to be told what to do. Ms. Levine said that people at the scene of an accident have a choice.

Chair Helm said that Bruce King would be happy to have anyone come in to talk about this issue with him. Ms. Lockhart asked if the other towns are paying what has been requested. Ms. Levine said that they were and that New London was the only town using this method of payment.

Joe McCarthy said that he is a dispatcher and hoped that he would be asked for input regarding what takes place with calls. Most of the time he does the midnight shift and there are so many special circumstances that arise. He knows that there are EMTs on the New London staff who can handle many situations, but a recent call he had was for a lift assist but turned out to be a lot more than that. He added that calls that are cancelled and not transported are not just happening in New London but also in Sunapee and Newport. He added that they also do a lot of intercepts. It is his hope that the dispatch center does get to be involved in the study to provide input. It is a touchy situation with some of the calls that come in.

Mr. Cardillo thought it was a convoluted situation. Legally there is probably a protocol that people have to cover themselves. They are required to dispatch some things and the driver has to do certain things, and things fall into the "non billable" category. Everyone has to cover themselves legally.

Ms. Levine went on to explain expenses and savings in the budget. The Recreation lines have increases for boats and for more lifeguard hours at the beaches. The Library has a 3% budget increase, as the fund for computer replacements was closed and computer replacements are now part of their operating budget.

The Conservation Budget included their regular budget plus money for milfoil.

Debt service in 2011 has gone down and payments on the two bonds in articles 3 and 4 will not begin until 2012.

Ms. Levine said that with regards to quarterly billing, the webpage www.nl-nh.com/fiscalyear contained a worksheet where people can put in their property value and it will show the amounts due when considering both quarterly and bi-annual billing. She also handed out a timeline that shows sample payments if they made no change to fiscal year or quarterly billing, as well as what bills would look like for the next two years if they made the change. The reverse side of the handout showed the same thing in a spreadsheet form and added in the change to fiscal year and semi-annual billing. The example was for a \$400,000 house. Ms. Levine noted that with quarterly billing, it shows that people actually pay less over the two years in taxes.

Mr. Sarkisian thought people on the lake were paying much more than those in town. He thought there was something wrong with the property taxes in New Hampshire and in New London and called them insane and ridiculous.

Article 9: This article refers to deposits being made into the town's capital reserve funds. They will be depositing into fewer funds and have eliminated some smaller funds. Funds will be spent this year or at a future time. Bianchi reminded those at the meeting that this deposit is a one-time event over the 18 months. Mr. Hasenfuss asked if it would be of value to show what will happen over the next few years with CIP deposits. Ms. Levine said she can add that historical information.

Article 10: This article seeks permission to spend out of capital reserve funds for a police cruiser, pump station repairs, and a new dump truck. Mr. Bianchi said a new truck was ordered in March 2010 and it has not arrived yet. Another truck is having mechanical malfunctions and so they are running on three instead of five trucks. Ms. Lockhart thought they were very fortunate with their highway department. Many at the meeting agreed. Ms. Levine thanked Ms. Lockhart for the compliment and noted that some towns have already overspent their winter budget and that New London is nowhere close to their overtime budget.

Article 11: Ms. Levine said that this article is for building maintenance projects, including repairing the roof on the cupola at the town office and new cell doors at the Police Department.

Article 12: This article relates to the closure of the police equipment capital reserve fund. This sets aside \$15,000 of the \$44,000 that was in the fund, which can only be used for emergency repairs.

Article 13: This article is for engineering at Pleasant Lake Dam which has received a letter of deficiency from the Dam Bureau.

Article 14: This article is to change the purpose of the Highway Equipment Capital Reserve Fund to enable it to be used for new equipment and not just replacement equipment.

Article 15: This article closes a number of capital reserve funds and returns the money as revenue which is sent back to the taxpayers.

Article 16: This article is a request to start putting money away for buildings at the Department of Public Works. They plan to insulate and replace windows at the old garage and also to replace the sand and salt shed in eight years.

Article 17: This article is a request to create a Fire Apparatus Repair Fund. If they have a problem arise, there are no funds to address it on an immediate basis. This will help them schedule overhaul of machinery and get longer lives out of the equipment. No town meeting vote would be needed to access this money, rather the Board of Selectmen would be able to authorize.

Article 18: This article is a request to put money away to repair errors in the town's GIS maps. The original maps don't take into account the curvature of the earth. The accurate aerial maps used now take into account the curvature. Therefore, there are a number of boundaries are in the wrong places. The total needed is \$65,000 and they want to save for this over three years.

Article 19: This article is related to the grant to re-engineer Lamson Lane. They need to appropriate money to do that and the request is to place \$30,000 into the capital reserve fund.

Article 20: This article authorizes the spending of \$75,000 for the engineering of Lamson Lane, a portion of which is to be paid for by a grant and a portion by the \$5 Motor Vehicle Fund. Mr. Sarkisian said he has been building roads for many years and didn't see a problem with Lamson Lane and that it wasn't necessary to expend the money because the road infringed on residents' property. Ms Levine said that the road issue didn't have anything to do with the road infringing on the property owner's land, it is because the road washes out under high water. He understood that it was repaired with a culvert and thought they did a good job putting it in. Ms. Levine noted that it took three years to get approval to do that.

Article 21: This article is to get approval to design the Elkins sidewalk project, which includes building sidewalks and making other renovations from Wilmot town line to Elkins Beach. Mr. Dick asked if the Elkins post office would be closed, as many were coming up for closure. Ms. Levine believed that they were closing more urban locations. Mr. Hoke said that they are required by law to deliver mail to every area and that they close the busier ones to be able to keep the smaller ones open.

Articles 22 & 23: These articles are to get approval to spend Conservation Commission money to contribute to other organizations to purchase easements in properties rather than to buy the properties outright. It is also to get approval to donate to projects outside of the municipality. It was clarified that spending from the Conservation's Land Acquisition Fund is only allowed after Town Meeting approval.

Article 24: This article is for the Conservation Land Acquisition Fund to include the purposes of Article 22 and 23, if passed. Ms. Levine noted that a suggestion was made at the last Budget meeting that in the event of a Milfoil emergency, funds could be expended from the Land Acquisition Fund to deal with it.

Mr. Todd asked about the hydro study in Elkins. Ms. Levine said that the Energy Committee applied and received a grant to study hydro electric at the Hayes Dam. They received nine responses to the RFP.

Ms. Levine said that the Recreation Department was on New Hampshire Chronicle recently, displaying Winter Wild at Whaleback. It was noted by several members of the CAC that Mr. Denning was doing a great job with Winter Wild and the Winter Carnival events. Chair Helm commented that the Jack Frost dinner was a wonderful community gathering that was sold out days in advance.

Mr. Dick said he was concerned about learning that the culinary program at the high school was in serious danger. It never moved to the old middle school and he was concerned that they have a community here totally dependent on the hospitality industry. Locally and nationally, they are all dependent on the industry. They no longer manufacture much in this country. Not to be able to train students for this sort of work is a sin as far as he was concerned. Mr. Dick said that he has spent 45 years in the hospitality

business and helped build the infrastructure of it. He was appalled at them even thinking about cutting back on the program.

Mr. Bianchi noted that the use of the 1941 building at the old middle school complex has now become available. They may opt to lease the building, which is a change in the approach for what he was told originally. Mr. Dick commented that an empty building continues to deteriorate. He has remodeled several old buildings, like the 1941 building and the old middle school, for adaptive use, and would be interested in giving some advice.

The meeting adjourned at 9:10 AM.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London