



TOWN OF NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • WWW.NL-NH.COM

BOARD OF SELECTMEN MEETING MINUTES February 19, 2009

PRESENT:

Mark Kaplan, Chair
Larry Ballin, Selectman
Tina Helm, Selectman
Jessie Levine, Town Administrator

OTHERS:

D.J. Lavoie, Resident
Bob Lavoie, Resident
Lori Underwood, Senior Vice President for Planning & Projects, New London Hospital
Debbie Cross, Intertown Record

Application for Building Permit:

- Donald E. Dickie, 226 Hall Farm Road (Map & Lot 075-009-000) after-the-fact temporary garage – Permit #09-004 – Approved.
- 35 Newport Road, LLC (Betsy Harrison & Susan Borchert) 35 Newport Road (Map & Lot 072-040-000) vinyl siding on building – Permit #09-005 – Approved.
- Cate Boathouse Realty Trust, 552 Route 103A (Map & Lot 091-027-000) demolish boat house and leave walkway and crib – Permit #09-006 – Approved.

Application for Raffle Permit:

- Historical Society, Model T Snowmobile Meet – 2/28/09 – drawing @ 2:00 pm – approved

Application for use of Whipple Hall:

- Yoga for Life – Tuesdays 10-11AM – March 17th through April 28th, 2009 – Recreation Dept. for John Schlosser – Approved.
- New London Barn Playhouse, Junior intern auditions, April 4 & 5 – 12-3pm – Approved.

Application for Permanent Sign:

- Poyant Signs for Irving Oil, Jakes @ 220 Newport Road, new sign needed due to change in fuel supplier – Approved.

Other:

- Disbursement & payroll voucher week of 2-16-09 - Approved.
- Petition and Pole license for PSNH & TDS – Approved.
- Governmental Certificate & Promissory Note from Lake Sunapee Bank – Approved.

Chair Kaplan opened the meeting at 8:04 A.M.

PUBLIC HEARINGS:

FIRST PUBLIC HEARING ON PROPOSED BOND: *Pursuant to RSA 33:8a, the New London Board of Selectmen will hold a public hearing to receive comment on the proposed issuance of a bond in an amount not to exceed \$385,000 for New London's portion of engineering fees for the design of the upgrade and renovation of the Sunapee Wastewater Treatment Plant.*

Chair Kaplan read the proposed bond issue and asked for comments.

Mr. Lavoie asked who would be paying for this bond issue, the sewer users or taxpayers. Ms. Levine responded that her recommendation has been that the sewer users pay for this portion of this project. She continued that the Town has applied for a Federal grant under the stimulus package loan, noting that it currently looked as though any dollars would come as a loan and not a grant. She reminded all that this design portion is in the sewer budget. Mr. Lavoie asked if this was considered a capital investment, should not all the taxpayers be responsible for payment? Ms. Levine responded that she thought this point should be raised in a discussion with regard to the \$5 million bond next year. Mr. Ballin asked if there was a sense of what the annual cost per user would be. Ms. Levine responded that for the \$385,000 bond, a 10-year bond would be about \$53,000 per year and for a 15-year bond, the payment would be about \$40,000 per year. Ms. Levine said there are 700 sewer bills with one bill being issued per connection and that the Town bills by the gallon, prorated by use.

In response to a question by Ms. Lavoie regarding the billing format, Ms. Levine said the cost for the loan and the operating cost could be spelled out separately on the sewer bill, as it had been done with the previous sewer bond issue, or it could be included with the operating budget. Mr. Lavoie asked who was going to decide who will pay the fee for this bond issue? Ms. Levine replied that it is the decision of the Board of Selectmen. Chair Kaplan responded that he is open to a discussion of this kind, but he thought that in terms of the political battles, as to which is easier to pass, he thought that it was easier to pass this bond issue based on the users. He said that if this bond issue does not get passed we are nowhere in terms of planning. Then, he suggested, have this discussion again regarding who pays for the larger bond issue and the suggestion that the whole Town should be assessed for that payment.

Ms. Helm asked how the federal government's stimulus reimbursement plan might work. Ms. Levine replied that we were not yet certain, but she foresaw three possible scenarios: 1) if there is no money coming from the State then we will borrow money from the bank with a 10 or 15-year pay out; 2) if the federal stimulus money were used as a grant, New London would qualify for 30% under the process that the State uses for sewer grants in which the Towns can apply for grants based on their user fees; and 3) it currently sounds like the stimulus money will go into the State of NH sewer revolving fund, which is a reduced interest loan of 1% that we would borrow from the State. There has also been talk of principal forgiveness which means that we would have to borrow the money drawing on the loan and as it was being repaid, the principle would be forgiven. Ms. Helm asked how this would impact the taxpayer. Ms. Levine said that the vote at Town Meeting authorizes the Selectmen to negotiate the borrowing, but it does not mean that the sewer user will get billed until we have to actually start making payments. Typically, under any bond the first year there would be no impact on the users. The payback would start in 2010 and by that time we will know what structures are available to the Town. Ms. Levine said that for Town Meeting she would prepare a chart illustrating a worse case scenario, which would be borrowing for a 10-year bond at market interest rates with no reimbursement, the other possible scenarios mentioned above would also be presented.

Mr. Lavoie commented that for the record, the Selectmen are now saying that they will suggest to the taxpayers that the entire Town pay for the \$5 million bond issue when it comes up. Mr. Kaplan said he was willing to do that. Ms. Levine said that that decision has not been made at this point. However, if that battle is to be fought as to who will pay for the cost of this project, she would rather wait and have that discussion when the \$5 million bond issue comes before the Town. Before that happens there is a great

deal of research that needs to occur between this year's Town Meeting and next year's, when this entire project will come up. She thought it was premature to say now how this was going to be done since there are so many unknowns. Ms. Helm said that at this time she was not ready to take a position on this issue because there was a great deal of data that we did not yet have, but her leaning at this point is to spread the cost over the entire Town. Mr. Ballin said that the Selectmen had discussed who should pay for this part of bond issue and had agreed that the users should, but he did not think that the cost of the entire project should be shouldered just by the sewer users. He thought that the whole Town and watershed system will benefit from this sewer system and, therefore, the whole Town should be responsible for the cost.

Chair Kaplan said there was one other area that he wanted to discuss. He said his recollection was that because the hospital is a non-profit charitable organization, it does not pay real estate taxes. Ms. Levine said this was correct. With the \$5 million cost, and if we want to put it over the entire Town, Mr. Kaplan thought the Hospital would not be paying its fair share. He asked Ms. Underwood to take this issue back to her Board of Trustees to look at some sort of payment. Ms. Levine said that she and the Hospital were meeting on this subject at 11:00 AM today. Ms. Underwood commented that in the past the Hospital has demonstrated its interest and willingness to be "good citizen" of the Town and to pay its fair share of services used, noting that some of its properties do pay taxes. Ms. Levine said that when comments have been made about the College and Hospital, it has been by way of example and not to characterize the Hospital's position on the payment of sewer fees or taxes. She noted that there are other charitable organizations that do not pay taxes but do pay for the use of the sewer and there are some that do not pay either.

Ms. Levine said that another issue that needs to be considered is that 50% of the Town's tax base is not on the sewer system and many of the waterfront property owners are not even residents of New London. The impact of a bond on them, as well as the benefits on them of having a vibrant commercial base, needs to be considered. Mr. Ballin pointed out that it was not just the importance of a vibrant commercial base, but also, considering the nature of the soils of New London, if we did not have an efficient sewer system in the Town, the waterfront property owners would probably be some of the first impacted by the runoff that would be created.

Ms. Underwood asked that by doing this initial design, does this then give the Town more data which will enable it to access more of these dollars that may be out there for grants? Ms. Levine replied yes, the federal stimulus money is going to be available for shovel in the ground projects: 25% of these dollars are to be targeted in the first 90 days, then 50% needs to be targeted within the next period of time, and then 100% by two years. She cautioned that if the design was not done right away, the Town would not be able to qualify to move forward with the funding request for the bigger part of the project.

Ms. Helm suggested again that at the appropriate time it would be beneficial to have an open hearing of the non-profits to develop a collaborative resolution similar to the way New London department heads did with regard to cutting the budget. All agreed.

The first public hearing on this proposed bond issue was closed at 8:41 AM.

Chair Kaplan opened the second public hearing at 8:42 AM.

SECOND PUBLIC HEARING ON PROPOSED MOTOR VEHICLE FEE: *The New London Board of Selectmen will also hold a public hearing to receive comment on the proposal to adopt the provisions of RSA 261:153. VI, to authorize the Town Clerk to collect an additional fee of \$5.00 per motor vehicle registration for the purpose of creating a municipal and regional transportation improvement fund which shall be a capital reserve fund established for the purpose and governed by the provisions of RSA 35. The fund may only be used to fund improvements in the local and regional transportation systems, including*

roads, bridges, bicycles and pedestrian facilities, parking and intermodal facilities and public transportation.

Chair Kaplan asked for comments on this proposed motor vehicle fee. Ms. Levine said that if the Governor passes his \$10 registration fee added on to the State motor vehicle registration cost, it would not happen until after Town Meeting. This would make it more difficult for New London to pass this \$5 fee. After a brief discussion, Mr. Ballin suggested that we leave this warrant alone, continue to support it and revisit it at the time we need to adopt it. If the Governor's initiative goes ahead we can adopt it at a later time. To clarify, Ms. Levine said that it sounds like you are saying we would approve this, but we would still hold off in authorizing it until we know what the Governor is going to do. Mr. Ballin said that would be his preference. Ms. Helm questioned if the warrant should be amended. Mr. Ballin suggested that the amendment to this warrant read, "said fee to become effective upon a date decided by the Board of Selectmen" added at the end. Ms. Levine stated that the warrant says that the funds go into an improvement fund and that they can only be spent by further authorization by the Town. Mr. Ballin commented that this was a way for New London to create its own source of revenue. Ms. Levine said that towns can only raise money the way the State authorizes them to do so and that is through property taxes or fees. A brief discussion ensued concerning the way in which NH does business. Ms. Levine said there are 5000 motorized vehicles registered in New London and this would be a way of gaining some revenue.

There being no other comments, Chair Kaplan closed the second Public Hearing at 9:53 AM.

MEETING MINUTES:

The Minutes of the February 9, 2009 meeting were amended as follows: page 2, line 16, delete the word was. Page 3, line 10, the word "resigning" should be changed to "retiring". There being no other changes Mr. Ballin moved to approve the Minutes, Ms. Helm seconded the motion, all voted in favor. The Minutes were approved.

NEW BUSINESS:

Town Meeting Preparation/Governor's Budget Impacts- Ms. Levine said that she has added some additions to the warrant which she wanted to discuss, get some clarification on, and assign Selectmen as presenters.

#26 Ms. Helm

#27 Chair Kaplan. Conservation easement for Clark Pond.

#28 Mr. Ballin

#29 Chair Kaplan. Seek tenants and to enter into a lease agreement for Whipple Hall in the event it closes.

#30 Mr. Ballin. Sunapee area watershed coalition.

Proposed Article on energy exemptions. Ms. Levine reminded the Selectmen that they had met with Assessor Norm Bernaiche in the summer to discuss how the Town was handling property tax exemptions for renewable energy, including solar, wind, and wood heating energy sources. Ms. Levine said that since the late 1970s New London has been allowing solar exemptions but she could not find that this authorization had ever been actually voted on by the Town. When the Town Assessor went to apply the old authorizations to new property applications there were no guidelines or authorizations. There are four residents currently receiving renewable exemptions. It had been considered to go back to Town Meeting to get some guidance on this issue and have it documented as to how the voters would like the Town to handle this. She said there are two ways of viewing this issue. One is if the homeowner puts a solar system on his home, he would apply for an exemption and get a set amount off of his property value, such as \$10,000 or \$15,000, as decided by Town Meeting. The other approach, which the assessors prefer and

which is not uncommon in other towns, is that a homeowner who puts a \$40,000 solar system on his home would not be assessed for that \$40,000 system, which means his property value would remain the same. RSA 72:62 authorizes towns to adopt an exemption from assessed value, for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61. However, she asked, what does "from the assessed value mean"? If a property owner adds a system and the assessors do not assess it, does that actually reduce anything "from the assessed value"? She said that we need to be prepared on what we are asking voters. Because this has never been adopted at a prior Town Meeting this needs to be adopted if it will be continued, but we will also need to apply the same ordinance regarding wind energy systems and entirely wood-heated systems.

Mr. Ballin noted that there is a difference between a tax credit and an exemption. He thought that this whole issue needed to be revisited with some sort of financial justification. He said that he thought individual home builders could choose to utilize these sources of energy as a piece of equipment that they would use to save money, and if they elect to go that way, the benefit is that they are saving money as a user. He further noted that with regard to the RSA 72:69 which is in the packet of information that was provided, a wood heating energy system is not necessarily a wood burning system but could be used in conjunction with another fuel. Ms. Helm noted that when a federal exemption is given this is for one time installation, but the exemption in New London would be ongoing. Ms. Levine said that there seemed to be a consensus that this article should come off the warrant. Chair Kaplan said he agreed with Mr. Ballin regarding the exemptions. It was agreed that this proposed article would not be included in the warrant. In answer to a question posed by Ms. Helm, Ms. Levine said that Town Meeting has to authorize exemptions. Ms. Levine said that the Energy Committee may want to discuss this at another time with the Board of Selectmen.

Ms. Levine said that the other article that she proposed for consideration is the one that Bart Mayer had suggested that she e-mailed to the Board. It was to ask Town Meeting to authorize the Selectmen to cut the budget in the event that its revenue is reduced from the State. Ms. Levine said there are three options on this suggestion: one is to ask Town Meeting to authorize the Selectmen to make budget cuts; the second is to hold a special Town Meeting to discuss budget cuts; and the third is to raise the balance of whatever the lost revenue is through the tax rate which means, in the worst case scenario, that we would lose the tax rate decrease that we have been projecting through the entire budget process. She commented that the Governor has been saying that all of the cuts will be off-set by the revenue from the federal stabilization funds, but it looks like all that money will be used towards the schools, but we do not know that now.

One of the things that Maura Carroll and NHMA have been trying to inform the Governor's office about is that, with nine exceptions in the State, school and municipal budgets are completely disconnected and revenue that comes into one pocket does not get applied to another tax bill. Chair Kaplan asked if Ms. Levine wanted this to be left to the Selectmen or to a Town Meeting, or to adjust it at tax time. Ms. Helm said she was opposed to having an additional Town Meeting due to the expense, and would be in favor of what Mr. Mayer had suggested, which was to see if the Town would authorize the Selectmen to off-set the loss up to the amount of the short fall from the State. Mr. Ballin agreed with an amendment that includes the wording of possible short-falls of the State budget and anticipated revenue that may not materialize. Ms. Levine suggested that the wording say up to the amount of the budget short-fall from the State.

Ms. Levine further said that the Governor has proposed to cut back on revenue sharing which means a reduction in rooms and meals revenue and highway block grants which amounts to about \$300,000. The Governor has also proposed closing New London District Court which is about \$35,000 in revenue to the Town. Mr. Lavoie suggested postponing the 2.5% employee raises until the short fall is know. Ms. Levine said that this would not be a significant amount of money and the only things that could save us this significant amount of money is employee lay-offs or making no deposits to capitol reserved funds.

Mr. Ballin reminded the group that all this was predicated on the State legislature's tinkering with whatever the Governor presents. After a brief discussion Ms. Helm moved that a separate article be added to the Warrant that authorizes the Selectmen to reduce the budget should it be necessary because of a revenue short-fall from the State up to 5%. Mr. Ballin suggested that the Selectmen get a consensus of the meeting and craft the wording. He seconded the motion by Ms. Helm, with wording to be crafted by Ms. Levine. Ms. Levine agreed to craft the warrant article for Town Meeting to vote on.

Mr. Lavoie asked about the possibility of postponing employee pay raises and making them retroactive once the Governor's decisions are known. Mr. Ballin replied that the pay raises would only add up to about \$41,000. Ms. Levine noted that the fact the employee pay raises were approved did not necessarily mean that all employees will be getting a 2.5% raise, but perhaps rather that raises would be targeted at those positions that were not in line. This would mean an expense of about \$18,000. If the cost-of-living of 0.7% were to be given across the board, that would be about a \$12,000 expense. Ms. Levine noted that although the \$41,000 has been approved by the Budget Committee, the Selectmen have not said that they are planning on spending all of this.

Mr. Ballin said that he thought the employees should not be asked to carry the entire burden for this shortfall, and that there were pieces of the budget that we may consider not spending. Ms. Levine said that if he was talking about capital purchases that would not off-set expenses unless the capital reserve account was closed, which would need a specific vote by Town Meeting. At this point the salaries are in the budget which was approved at the public hearing Monday night, it can be amended from the floor at Town Meeting. Ms. Levine will show the Selectmen the salary spread sheet to discuss this further when they go into non-public meeting.

Confirm meeting with Cotton Cleveland on March 2 moved to 3:00 PM: Meeting time changes due to a conflict in a meeting schedule.

Review of Board Appointment Process and Board Positions up in 2009: Ms. Levine said that there will be openings on the Planning Board and potentially the Conservation Commission (CC). These positions will expire at the end of March. Celeste Cook's term will expire on the Planning Board and she does not want to continue in her position on the Planning Board. Dale Conly's seat on the Planning Board is up this year and he is planning on resigning his position on the Conservation Commission one year early. Ms. Levine met with the Commission yesterday and asked them to identify who from their Board will fill the position on the Planning Board. Ms. Levine said the question to the Selectmen was do they want to fill these positions from the alternate list or do they wish to go outside the alternate list? She said that she would suggest not re-interviewing people who have already served for a long time, unless there are doubts as to whether they should be reappointed. She commented that the submitted number of interest forms has dropped off since the interview process was instituted. After some discussion Mr. Ballin summarized the sense of the Selectmen saying that they would like to see some turnover on the boards whenever possible.

RSA 466:39 regarding dog licensing: Linda Hardy brought to the attention of Ms. Levine that this regulation permits the Town to charge a licensing fee of \$1.00 per dog. Mr. Ballin moved that we do not add another dollar for the licensing of dogs. Ms. Helm seconded the motion. Chair Kaplan said he was not a dog owner and therefore would not vote on this motion. There was no discussion. The motion passed.

OLD BUSINESS:

Red Cross Shelter Training: Ms. Levine reported that she attended this training session and was very disappointed with its content. She said that after the session she spoke with the Red Cross chapter leader from Concord who wanted New London to become a certified Red Cross Regional Shelter. This would mean that when needed, New London would open a shelter and the Red Cross would operate it. Mr. Ballin commented that we have a qualified Emergency Management Director with a good group of volunteers and we demonstrated during the ice storm that we are more than capable of dealing with this

type of shelter emergency. He said that if the Red Cross wanted to work with us, they are more than welcome, but that we are not going to work for them. He thought that the local volunteers would fall off dramatically if the Red Cross took over, and he did not want to set up a situation where we are dependent on the Red Cross. Ms. Levine said that another concern was that the Red Cross has strict regulations which would impact negatively on New London's ability to function. For example, they will not accept donated food unless it is prepared in a commercial kitchen.

Ms. Lavoie asked if the Town is building on the ice storm experience so that it can be improved in the future. Ms. Levine said that they were. She cited the fact that the Emergency Management Committee had held a debriefing session to learn from the experience and they are now developing a shelter plan. Ms. Levine said that the State was holding debriefing sessions in Derry, Hampton and Rindge, but nothing north of Concord or Manchester. Ms. Levine said that the Town is seeking FEMA reimbursement on behalf of the College, but if it does not come through, the College has agreed to waive the cost of the food. She said the school district is seeking FEMA reimbursement as well.

Fiber Project Report/Intermunicipal Agreement: Another revision has been made to this agreement just to make it very clear that the Town is authorizing the participation in this intermunicipal agreement but it is not authorizing the spending of any public money. It does clarify that this agreement means that they could go out and seek grants and other private sources of revenue. Ms. Levine said this could have potential access to federal stimulus money.

COMMITTEE MEETINGS AND REPORTS:

Budget Public Meeting on February 9, 2009: This meeting was attended by all of the Selectmen. The meeting was well attended by Town residents with ample opportunity to change budgets based on what was discussed at the meeting. There were no changes suggested. After a brief discussion regarding the timing of public meeting, Ms. Levine posed that any suggestions regarding the advertising and timing of Budget Committee hearings be brought before the Budget Committee for their consideration.

Planning Board: February 10, 2009: Mr. Ballin reported that there was one brief review for a home business, then the Board did the reviewed of the questions and answers for the public survey for the Master Plan. He said there was a long discussion of solid waste and protection of true agricultural soil and productive land. He noted that there was much interest in increasing recycling efforts and that the pay-as-you throw concept got a healthy nod.

UPCOMING MEETINGS AND SPECIAL EVENTS:

CAC: February 28, 2009: Ms. Levine suggested that Department Heads attend this meeting. Ms. Levine will e-mail a copy of the Warrant to the Selectmen, since it is possible that each Warrant Article may be discussed.

NON-PUBLIC:

At 10:00 AM, Chair Kaplan moved to enter into non-public session pursuant to RSA 91:A-3 II (a) to discuss personnel compensation. Motion unanimously approved.

Respectfully submitted,

Kathleen K. Colby
Recording Secretary