



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES

October 4, 2010

PRESENT:

Tina Helm, Chair, Board of Selectmen
Mark Kaplan, Selectman
Peter Bianchi, Selectman
Jessie Levine, Town Administrator

ALSO PRESENT:

Kathy Bianchi, Budget Committee
Celeste Cook, Budget Committee
Ben Cushing, Budget Committee
Bill Helm, Budget Committee
Bob Meck, Budget Committee
Jim Wheeler, Chair, Budget
John Wilson, Budget Committee
Jerry Coogan, Recreation Commission
Keith Pomkoski, Recreation Commission
Shelby Blunt, Library Trustee
Steve Ensign, Board of Firewards
John Ryan, Board of Firewards
Doug Baxter, New London resident
David Cook, New London resident

Peter Hoglund, New London resident
Peter Messer, New London resident
Barry Morrissey, New London resident
Gary Markoff, New London resident
Noel Weinstein, New London resident
Sandra Licks, Library Director
Linda Hardy, Town Clerk/Tax Collector
Jay Lyon, Fire Chief
Carolyn Fraley, Finance Officer
Linda Jackman, Administrative Assistant
Richard Lee, Public Works Director
Chad Denning, Recreation Director
Peter Stanley, Zoning Administrator
Sean Carroll, *Intertown Record*

Chair Helm called the meeting to order at 6:01 PM.

Meeting Minutes: IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to approve the minutes of September 27, 2010. Chair Helm noted two small editorial amendments to the minutes. IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to approve the minutes of September 27, 2010, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Helm explained that the non-public minutes from September 27th also needed to be approved. IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to approve the non-public minutes from the September 27, 2010 Board of Selectmen's meeting, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

2011-2012 Budget Presentation: Chair Helm noted that Ms. Levine had worked hard to put the budget presentation together and thought it would be common courtesy to allow her to go through the entire presentation. An opportunity for discussion would follow and Chair Helm would not call on anyone to ask questions during the presentation. Ms. Levine's presentation is attached to these minutes.

Ms. Levine began by saying that the Board of Selectmen will have the budget for three work sessions to work through it, but she wanted to have a presentation that goes through some of the details of the budget. Ms. Levine started with estimating the 2010 tax rate, now that they have finished the revaluation and have a better handle on expenses and revenues. She said that when the budget was being developed, the estimated tax rate was \$4.32 per \$1000, or 4.35 with the two petitioned warrant articles. Now the projection is \$4.24 per \$1000, which includes the \$25,000 petitioned warrant article from the

Conservation Commission. This is partly due to the increased property values and partly due to a drop in the number of Veteran's credits, so that cost has dropped by almost \$25,000. Ms. Levine indicated that when the assessed values go up, the tax rate usually goes down. Comparing to last year, the total tax rate – including school and county taxes -- is a penny lower in 2010 than in 2009, and the median property value in New London went down. That means that for half of the property taxpayers in New London, property taxes will stay the same or go down.

She noted that this tax rate is without any use of surplus. If they did want to use surplus to offset the tax rate this year (they are starting with \$950,000 of surplus), they could use \$400,000 of the surplus and they would be in a safe place with cash flow. This would bring the tax rate down to \$3.87. That said, Ms. Levine suggested that they could consider holding onto the surplus for when they will have the \$1 million donor tax to pay in the future.

Ms. Levine reminded those at the meeting that going into the 2011/2012 budget, the Board of Selectmen asked for the budget to go up no more than 2%. The budget that she and the Department Heads have provided is just a 1.9% increase over the first 12 months, and a decrease of 5.1% over the remaining six months of the 18-month budget cycle. Not included in this budget are a couple of things that arose just that day. One is that PSNH is adding a 3% increase for town building lighting and a 5% increase for street lights. Also, they found that Worker's Compensation can be prorated for 2012 so that the full payment is not due at the beginning of the year. Lastly, there is a \$2,005 request from the Red Cross that arrived today. She noted that last year this request from the Red Cross did not pass with the Board of Selectmen or the Budget Committee, and the petitioned warrant article for Town Meeting failed.

Ms. Levine said that this budget was subject to outside impacts, such as increases from the NH Retirement System, and for Worker's Compensation and Property/Liability insurance. Health insurance rates are expected to go down, and the fuel bids were not significantly higher than last year.

Ms. Levine said this budget attempts to respond to community requests, such as an outcry to reinstate household hazardous waste collections, increased police patrols especially in summer months, increased lifeguard hours at the beaches, and continued funding of milfoil prevention programs, which will no longer be offset by the capital reserve fund for that purpose.

Ms. Levine said this budget includes a targeted 1.7% COLA and additional salary adjustments for certain, but not all, employees. The budget includes no change in the health plan because costs stayed the same this year. Ms. Levine said that there are some unknowns at this point, such as the New London Ambulance request, which will not be available until later in October, the cost for Pleasant Lake Dam engineering and repairs, and the Sunapee Wastewater Treatment Plant project.

Ms. Levine said that when building an 18-month budget, one must consider that there are going to be two winters, which means two heating seasons, two plowing seasons, and multiple elections in early 2012. She proceeded to review the proposed budget department-by-department.

- Executive: The proposed budget is down 1% from 2010 and up 1.8% from that for the first half of 2012. The reductions in the budget come from health insurance decrease and reduced recording secretary hours, and the offsetting increases are from the NH Retirement System and the fact that two Town Reports will be due during the 18-months, at \$9000 each.
- Town Clerk: Ms. Levine said the 2011 budget is down 2.8% and the 2012 budget is up 6.1%, primarily because there are two elections in the first half of 2012. The budget also includes funds to replace the deputy's computer, as well as retirement system increases and funding for the deputy to come back onto the Town's health insurance, which is an additional \$8000 per year. Ms. Levine said that is a good indicator of how much the 50% insurance buyout saves the Town.

- Finance & Tax Collector: Ms. Levine said this budget contains a 9.3% increase for 2011 and a 6% decrease for the first half of 2012. The increase is partly due to the planned retirement of the Finance Officer in September 2011, so there is funding for overlapping salaries and benefits. In addition, the Town Office is requesting to lease a new photocopier at \$223/month, and quarterly tax bills will cost more to generate due to special printing costs.
- Assessing & Legal: The Assessing budget is projected to increase 1.8% in 2011 but currently includes an estimated 15% health insurance increase and she believes that projection will come down. The 2012 projected budget is down 1.5% primarily due to anticipated lowering of legal costs.
- Other/Personnel Administration: This budget is largely a “wash” because it represents insurance costs that are repaid by the Library. However, included in this budget, which is projected to increase 11.4% in 2011 and 4.9% in 2012, is \$6500 for the search for a new Finance Officer, \$4800 for the sick time buyout due in 2012, and reduced tuition reimbursement.
- Planning Board/ZBA: Ms. Levine said that this budget will decrease by 15.6% in 2011 and increase by 0.3% in 2012. The Planning Board has kept the Planner budget level and decreased the budget for the recording secretary. It has also requested \$1700 for a fireproof filing cabinet.
- Government Buildings: Ms. Levine said the budget for government buildings will drop by 6.3% in 2011, despite a 5% increase in the cleaning contract with Sodexo. Ms. Levine said that she is exploring other options. It is also hoped that there will be savings once the lighting improvements have taken place as a result of the EECBG program. Ms. Levine said that not included in this budget is the expanded parking lot at the Town Offices, which she believes is still needed.
- Cemetery: The cemetery budget has increased 12.3% in 2011, primarily due to the need to purchase new lawn mowers, which are replaced every other year. This expense will be offset by revenue from the Common Fund, which should be \$19,000 in 2011. The budget will then drop by 28.7% in 2012.
- Other Insurances: Ms. Levine explained that this category represents the Town’s payments for property/liability and unemployment insurance and contains an 8% increase in 2011 and a 28.4% drop in 2012, since some payments can be pushed off until after July 1, 2012.
- Police Department: The Police budget has dropped by 4% in 2011 and then a slight increase of 0.5% in 2012. The drop is primarily due to reducing the overtime budget now that we have a better idea on the staffing costs to send people to court in Newport. Ms. Levine said this budget reflects a 13.7% increase in payments to the retirement system, which would have been higher but the new officer will cost less than the person he replaced.
- Fire Department: The Fire budget has increased by 1.6% in 2011 and 1.2% in 2012. This includes targeted salary adjustments, an increase in Fire Academy fees for training, retirement system increases, and a new desktop computer.
- Emergency Management: The Emergency Management budget contains a 35.6% increase, which Ms. Levine said seems like a large number but represents only an additional \$2000 to pay the membership fee for the regional hazardous materials response team. The membership fee had been waived for the past two years to help towns with their budgets, but it now needs to be reinstated. Since the fee will not have to be paid again until after July 1, 2012, the budget for the first half of 2012 will drop by 36.1%.
- Dispatch: The Dispatch budget will go down slightly, by .1%, primarily due to a new employee whose starting wage is lower than the outgoing employee. Ms. Levine reminded those present that 62% of the budget is reimbursed by the regional towns that are served by the New London dispatch center.

- Highway: The Highway budget is in two parts: Administration, which will increase by 2.6% in 2011 and 2.7% in 2012, and Highways & Streets, which will go up 2.8% in 2011 and down 34.25 in 2012. The Administration increase includes a family plan in the budget, since it is not known who will be hired for the open DPW position. The budget also contains some salary adjustments. The Highways & Streets budget includes the cost to repair the sidewalk on Main Street between Seamans Road and the Cleveland residence; Ms. Levine recommended using the \$5 motor vehicle highway fund to offset that expense. The budget also includes the cost of doing some repairs on the grader to extend its life by seven years, as presented to the Capital Improvements subcommittee. Not included is street paint for double yellow lines, as it is recommended to stop that program which has a high expense and limited benefit.
- Transfer Station: The Transfer Station budget will increase by 1.3% in 2011 and decrease by 4.4% in 2012. The increase is partly because one employee may be switching to a family plan, and there are needed salary adjustments in this department. Ms. Levine said that she has reduced the budget for trash disposal, as the numbers continue to be low for trash tonnage. The budget does not include converting to pay-as-you-throw in this budget cycle.
- Solid Waste Cleanup: Ms. Levine said this budget has a 47.6% increase in 2011, primarily due to the reinstatement of household hazardous waste collection at \$9000. The budget will drop in 2012 as the next drive would not be until after July 1, 2012.
- Health Officer: Ms. Levine said the health officer budget drops 3.1% in 2011 and another 3.2% in 2012. There are no notable changes.
- Health Agencies: Ms. Levine said the VNA request has increased slightly, and they have requested receiving a payment in the first half of 2012. The Council on Aging request is level but they have requested payments in both years. The New London Ambulance budget is not known at this time and a placeholder is included in the draft budget at the current year's request of \$93,902. Ms. Levine said the Town received a new request from the Court Appointment Special Advocate program at \$500, which is included in the budget at this time.
- Recreation: Ms. Levine said the Recreation Department budget of 9.5% in 2011 includes additional hours for the lifeguards as well as \$8000 to purchase new boats for Bucklin Beach. She noted that last year the Budget Committee cut that from the budget and suggested advertising for donations of boats, but that did not yield much other than boats for parts. Ms. Levine said that the increased programming has required increased advertising, and that is included in the budget. There will also be two winters so the winter programs will be in both years' budgets.
- Tracy Library: The Library budget has a projected increase of 5.7%, which includes a 2% salary increase for staff as well as the cost to continue the computer replacement program that the CIP subcommittee recommended be placed in the operating budget. This will cost \$12,000 in 2011 and \$7000 in 2012.
- Conservation: The Conservation budget increased by 2.8% in 2011, primarily to pay for an intern to assist with trail maintenance and construction. The budget will then drop by 1.4% in 2012.
- Milfoil: Ms. Levine pointed out that the lake associations have requested \$21,200 for milfoil prevention (lakehosts), and only PLPA did not request full funding in 2012, so the budget dropped to \$17,950. Ms. Levine posed a question to the Board of Selectmen as to whether the remaining \$7500 in the milfoil fund should be used as revenue this year or be left in the fund for treatment of milfoil, if needed. However, she noted that \$7500 would not go far in treating milfoil.

Ms. Levine summarized that the total operating budget will increase by 1.9% in 2011 and drop by 5.1% in 2012. This projection does not include the Wastewater Department and does not include capital items.

- Wastewater Department: The Wastewater budget is projected to increase 7.5% in 2011, which is primarily due to an \$85,000 capital project to upgrade the controls at the main pump station. This will be offset by funds in capital reserves. Ms. Levine said the budget does include a salary adjustment for the sole employee in the Wastewater Department, and does not include the Sunapee WWTP upgrade.
- Transfers to Capital Reserves: Ms. Levine said that the Capital Improvements Plan recommended by the CIP subcommittee contains a 13.2% increase due to the reinstatement of funds that were not funded in the last year or two years. The good news, she said, is that there is only one deposit scheduled during the 18 months, and she commended Department Heads for making sure this could happen.

Ms. Levine summarized that when deposits to capital reserve funds are included, the total budget increase is 2.7% for 2011. She said that including payments out of capital reserve funds (which are offset by reserve fund revenue), the budget increases 11.4% for 2011 and then drops 13.7% for 2012.

Switching to revenues, Ms. Levine said that an increase in revenue is projected but it is largely from the anticipated Tracy Library bond and the Elkins grant project.

Ms. Levine projected that the tax rate for the 2011-2012 budget will be \$6.09, which is less than a 50% increase for a budget that includes an additional 50% of the year. Ms. Levine said that it is proposed to begin collecting taxes on a quarterly basis, which would spread the cost of the fiscal year change over 18 months. She opened a slide showing how quarterly tax collections would work and pointed out that taxpayers would pay the same amount over the same period of time, but it would be more spread out with quarterly billing.

Chair Helm thanked Ms. Levine for her presentation and commended her on a job well done. Mr. Kaplan said he applauded Ms. Levine for her work and was pleased to see the tax rate proposed and added that he wasn't sure how his colleagues felt about using \$400,000 to reduce the rate even further. Mr. Kaplan said that in his opinion, he was in favor of using \$275,000 to reduce the tax rate. Ms. Levine said that she will place the 2010 tax rate on a future agenda so it is premature to discuss that in much depth today.

Mr. Bianchi said he thought this budget was a wonderful starting point and when they start going through the line items and talking about salaries and insurance, this gives them a good place to work from.

Chair Helm applauded the Department Heads for working so diligently on their budgets. They took the Selectmen's message of staying below a 2% increase seriously and she thanked them very much. Mr. Kaplan said that they sent their message to the Department Heads to keep increases to less than 2%, and was pleased that the proposed operating budget for 2011 was 1.9%. He hoped they could move forward from this point.

Chair Helm explained that this meeting would be the beginning of the deliberative session for the Board of Selectmen. She opened the floor for questions and said she would like people to focus on clarifying any particular aspect of the presentation that didn't make sense to them or to focus on a procedure that they will follow going forward. She thought it was premature to start asking questions about individual line items at this time. She said they are only three people working with the Department Heads and Ms. Levine and they welcome input. Chair Helm looked at this as an information-gathering exercise.

Noel Weinstein said that some of the items in the 2012 budget were zero because payment wasn't yet due. He thought they should see the budget on an accrual basis. For information purposes, he thought it unfair to say there was a decrease in the percentage when they haven't taken into account that bills will come

later. Ms. Levine said that they could show that but the point was to avoid having two of the same expenses in the budget. She said they operate on a cash basis, not an accrual basis. Ms. Weinstein also said that when there is a small item that had a big increase, it looks like a big deal because the percentage of the increase was large. He thought that it should show the percentage of the budget that is increased to show people that while it may look like a big increase, it really isn't. Ms. Levine said that this information would be easy to show.

Mr. Weinstein asked about the quarterly billing timeline. Ms. Levine said that the timeline shows the choice between paying for the taxes four times over 18-months versus seven times. She noted that the state law mandates what has to be paid and when, and they can't just spread the cost out evenly over each payment. Ms. Levine said that in their public education, Peterborough had suggested that people budget a certain amount over 18 months to be able to pay their taxes. Gary Markoff asked if someone could write a check for more than what their first tax bill was. Ms. Levine said that they could.

David Cook remarked that Ms. Levine projected only a \$35,000 increase in capital reserves and he wondered if there was an exhibit that would show what the deficit was in terms of the capital spending they haven't done in the last few years, and if the exhibit would spell out what they would have to do to catch up. He also thought that the same exhibit might show if the projections were based on the old or new Master Plan. Ms. Levine showed a spreadsheet of what was expended for capital costs in the past two years and what is budgeted for 2011. She explained that some funds made up for previous reductions and offered that she could reduce the spreadsheet to one page to share with those interested.

Mr. Cook asked if she could provide examples of catching up on the capital deficit in other ways beyond bonding. Ms. Levine said in the course of the CIP process, there is not really a deficit that isn't made up by the new budget except for the Library. She added that the biggest hit was the gravel road program but the other funds have increased deposits projected for the future to make up anything that had been lost.

Mr. Kaplan said that he understood Mr. Cook's concern with the capital expenditure program as he feels the same way. The equipment doesn't last forever and can wear to the point of inefficiency. He reminded those at the meeting that they are faced with repairing the wastewater treatment plant in Sunapee. That is a \$5.2 million expense. So as not to add to the tax rate, all or part of this expense will be bonded, so he is thinking that they will have a lot of bonding ahead of them. He felt it was wise to bond for the library projects, but cautioned that they can't bond for everything all the time.

Mr. Bianchi noted that the CIP is ultimately approved by the Planning Board, which hasn't had a meeting yet to discuss it. He said that what the subcommittee came up with will go to the Planning Board and will then come back to the Selectmen and Budget Committee. Ms. Levine said that in reality it is a parallel process among the Planning Board, the Board of Selectmen and the Budget Committee. Mr. Bianchi summarized that it was a work in progress.

Jim Wheeler, Budget Committee Chair, said that they might want to mention the donor town tax coming up. Mr. Kaplan said that New London will be faced with an educational funding state-wide property tax to the tune of \$1 per thousand. This will raise slightly over \$1 million from the town. Ms. Levine said that this is why she thought they would want to save on using the surplus for the tax rate and wait a year to help pay for this tax to the town.

Chair Helm reminded those at the meeting that the Board of Selectmen and the Town of New London have no control over the statewide property tax, but emphasized that Mr. Kaplan and others on the Board have gone to many meetings to try to fight it and find out as much as they can on the matter. She noted that on Monday, October 18, 2010 there will be another meeting planned to discuss how to deal with the impending tax. The Board of Selectmen has tried to work with their legislators and have been as proactive as possible.

Gary Markoff noted that on the school side of things, there were ARRA funds that will expire as of June 30, 2011, so as they look at the next 18 months, they should take into consideration that those monies will not be available. The amount not being replenished represents about \$700,000 which directly helps the education system. This lack of funding will most likely be made up for through cuts of staff and programming. He also mentioned the percentage of retirement funding that the State has threatened to cut. They used to fund as much as 35% but there has been talk that it would go down to 20%. Ms. Levine said that they have currently backed off on that reduction and last she saw, they were still planning to fund 35% of retirement costs.

Chair Helm noted that it is so important to get involved at both the local and state level. She opined that they have a legislature that needs to be nudged from time to time. She said that her goal is that when they hand the budget over to the Budget Committee on November 15, they will feel so comfortable with it that it will make their job simple. She said that there were definitely some areas they can talk further about but felt that Ms. Levine gave a wonderful presentation and thanked her again for her work.

Ms. Levine asked the Selectmen to consider what they want to talk about at the next meeting to enable her to help everyone get prepared. The Board of Selectmen agreed that the topic of health insurance would be a good place to start.

Mr. Kaplan asked when they need to make a decision on the current tax rate. Ms. Levine said that they don't have a date yet but she would include it on the next agenda.

OLD BUSINESS

Wastewater Treatment Plant: Chair Helm said that the Board of Selectmen attended the Sunapee sewer meeting on September 30. Neil Cheseldine, the engineer from Wright-Pierce who is doing the engineering for the plant, was there. The Selectmen and Sunapee Sewer Commission are trying to figure out 1) if they could do the project in phases; 2) what funding opportunities exist since they did not get the stimulus money they anticipated; and 3) how to go to voters and explain what has happened since they were given the go-ahead at Town Meeting to fund up to 35%.

Mr. Markoff asked if someone could articulate the requirement of New London being in agreement with Sunapee on this project. He wondered why Sunapee couldn't use their grant money to start the project and then New London could get a bond for more work later on. He wondered why they had to get bonds and/or funding at the same time. Ms. Levine said that the problem they have now is that both New London and Sunapee's town meetings authorized funding that they ended up not being able to use. They have discussed having more flexible language in the warrant article so they can get it done this time around, and there is no particular reason why they both have to have the same funding. If one town passes one thing and one town passes another, they may be able to get some work done. They now realize they need to be more flexible in their warrant articles so as not to lock themselves out of anything. They now know that New London won't receive any grant from the USDA RUS, but they do qualify for a 25% grant from the State and a 75% loan at 2.29% for 20 years.

Ms. Levine handed out a spreadsheet that she had prepared that compared the various approaches and funding options. She explained that due to the lapse of time since the original estimate, the total project is now estimated to cost \$9.5 million. If they do just Phase 1, it would cost \$5.4 million. Phase 1 with sludge dewatering would cost \$7.5 million, which includes \$500,000 for engineering fees that were approved two years ago. Her handout showed a breakdown of how they would have to pay the New London share if using a grant and loan or no grant and all loan. The rate imposed on the sewer users would be high if they pay for the whole thing, but if shared with all the taxpayers, the rate could come down a bit.

Ms. Levine added that the Sunapee Sewer Commissioner suggested forming a subcommittee to get the plans finalized. She thought that was a good idea and suggested they move forward with it. She remarked that Ed Rushbrook, the engineer that New London hired to do a peer review, had a different take on the

engineering for this project. Mr. Bianchi said that Ted Gallup, Sewer Commission Chair in Sunapee, said that something has to be done, and Mr. Bianchi agrees. The plant is not getting any better and they've lost a whole year because they didn't get the grant. He was concerned that they can't be at this same point next year without getting something done. He said that at some point the State could give them a warning or citation and then they will be told how and when to repair the plant. Mr. Bianchi said that putting this upgrade off doesn't seem to be an option, and he wondered how they could get people to realize the importance of getting something done this year. He personally thought that assumptions about grant funding from the State were not solid. He wanted to make sure they could do it without the 25% grant and if they get the grant funding, then that is a bonus. Sunapee's portion of the project is \$3.3 million and that amount wouldn't do much for the plant. They can only do 1/3 of the work, at most, which wouldn't get them very far. He thought they should present the issue to the taxpayers as a complete package and to impress upon the people that they need to get something done.

Mr. Markoff said the 2.5% loan with no grant seemed like a better deal. Ms. Levine said that in the short term it was, assuming that rate is available next spring, but they would end up spending more money on interest payments in the long run. She said that for calculating sewer rates, the State assumes 90,000 gallons per year per home on average.

Mr. Markoff said that in this market, they could probably get a great price on the work to be done. He also didn't think that there would be a better time to borrow, with rates down so low. Mr. Bianchi said that Ms. Levine's idea is to create an article that would allow them to get the work done with either a loan or a loan and a grant. If they get the grant, they won't have to spend \$5 million. If they don't get the grant, the taxpayers still know that they will have to fix the plant. Chair Helm said that bottom line is that they want to craft a warrant article in such a way that they will get the money to start the project right away and if the grant comes, all for the better.

Ms. Levine said that they could not finance any money or move forward until Town Meeting has approved their plans in March. She said they not only have to craft a warrant article, but they need to decide what they want to spend the money on. Chair Helm thought Mr. Rushbrook's observations were interesting and countered what Mr. Cheseldine had said. His thoughts raised a lot of questions. Ms. Levine thought the remarks and plans should be reviewed in a small group instead of everyone on the Commission and Board of Selectmen.

Jim Wheeler expressed concern that they don't have any bids to help them better estimate the cost. He wondered if the engineers would build specs for the three options for the plant's repair. Ms. Levine said that the work wouldn't be bid on until after Town Meeting.

Chair Helm said they should agree to support a subcommittee. Mr. Bianchi said personally, since the Budget Committee was present, he would like to see if there were any strong feelings about the three options. The bottom line was that getting 2/3 of the people to vote for this could be difficult. Mr. Kaplan agreed, as they would be asking for over \$5 million.

Mr. Wheeler said that now is the time to borrow money. He wondered if doing phase 1 with sludge dewatering would be enough to keep the State from coming down on them. Ms. Levine and Chair Helm said that even phase 1 alone would actually be enough to keep the state at bay. That segment of the upgrade was the biggest part of the project. The sludge dewatering is a long term savings on operations and maintenance. The sludge that comes out of the plant is full of water, which they are paying to truck away. Mr. Bianchi said that a tanker is sent each day to Concord with sludge and water. If they could dewater it, it would be less they would have to pay. Mr. Bianchi said that dewatering was not in the plant's original plans. Richard Lee said that they have tried numerous ways to dewater the sludge, but nothing has really worked; now they truck the wet sludge away for disposal.

Ms. Levine said that phase 1 with dewatering also includes building a new building in which to store the chemicals for the plant. That was the biggest part of the difference in price. It also includes rehabilitating the ditches that aerate, as well as some work in the clarifiers. It was found that they would probably save about half a million dollars, as the ditches were found to be in better shape than they thought.

Kathy Bianchi wondered what the life expectancy of the plant would be once the work on it was completed. Chair Helm said she thought it was 20 years. The current plant's expectancy was 20 years and they are now at year 35 of using it. Ms. Bianchi was concerned that the loan would be strung out over 30 years and the plant would need further upgrades after its 20 year life expectancy. Ms. Levine said that the RUS grant included a 30-year loan so the State and Feds must have deemed that appropriate.

Mr. Kaplan asked if anyone had any suggestions on how they should approach the town about this. Peter Messer said they have to tell the town that they need to appropriate the money because they need to do this, and if they don't, they will be in bad shape. Chair Helm said that is how they phrased it last year and that is how they got the vote to go ahead with the project if they got 35% grant. She was concerned that their credibility had eroded due to the fact that the funding fell through. Mr. Markoff disagreed and said it wasn't their fault that they didn't get the funding and it only shows that the upgrade really needed to be done. He opined that it was better money spent on this than the donor town tax. He thought that in terms of labor costs, availability, and loan rates, this would be accepted by the taxpayers at Town Meeting.

Mr. Bianchi said that only users pay for the sewer in Sunapee. New London will charge everyone. Ms. Levine noted that Sunapee has more users and a higher amount in capital reserves, so the cost to them is lower. She added that Sunapee uses a ballot vote so it would be harder to educate their voters.

John Wilson said they should come in very strong and trim the overall budget to show they are trying to compensate for some of these things, including the 4.6% increase on the school budget this year. He wasn't sure what their exposure was with the dams in Elkins, and explained that those types of things can add to the tax rate. He thought people would be resistant to it when the other taxes pile on. Mr. Markoff said there was a surplus from the school this year, which shows that their budget was well-managed. Everyone is doing the best they can possibly do. Chair Helm said that this falls into the need category, not the want.

Mr. Wheeler asked if they chose to go with phase 1, at what point would they need to finish the project. Mr. Bianchi said that hasn't been discussed. Chair Helm said that one of the concerns raised was if they just work on the headworks and started flushing more sludge, then they will put more pressure on the stuff down the line that is in bad repair.

Mr. Markoff asked if they went with phases, could they get the regulatory bodies to sign off on that approach. Mr. Kaplan said they would make a best effort try to do that but there is no guarantee. Ms. Levine said that DES will have to approve the work before they start. She added that the State hasn't designated any priorities to them and they are relying on their engineers to help them out with that.

In other sewer business, Chair Helm said that some property owners off Jobs Creek Road in Sunapee wanted to connect to the town force main that runs through Sunapee. Sunapee does not charge a hook up fee but New London does. Ms. Levine said that Ted Gallup called and thought New London should collect the fee because there would be disturbance and the potential for damage to the line, so they would be taking a risk. Ms. Levine said that in their earlier conversations, Dave Bailey also thought New London should charge the fee. Chair Helm said that this is the way they do business in New London and if they start changing the rules they are going to be plummeted down the line with various requests. Ms. Levine said she felt uncomfortable when it sounded like both New London and Sunapee would be collecting fees from them, but if only one town is charging, she was fine with it.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to collect the connection fees for the force main connection per New London's regulations, at \$1 per square foot of living space (minimum \$2000). THE MOTION WAS APPROVED UNANIMOUSLY.

Cell Phone Tower Lease: Ms. Levine noted that both she and recording secretary Kristy Heath tried to listen to the Town Meeting recording of the cell tower lease discussion. Unfortunately, most of the recording was inaudible. Ms. Levine remembered that Will Kidder asked who would be asked to lease space on the tower. He was concerned that if the tower went up and they invited companies that didn't serve their region, it wouldn't be any benefit to them. Ms. Levine said that she recalls replying that this could be a condition of the lease, and she does not recall making a promise that it would be.

Mr. Markoff thought the revenue generation to the tower owner comes from how many antennas were being draped. They share in the revenue generation from the operation. He thought they should let 10-15 companies use it. Ms. Levine said that there was limited space due to the tower height and she understands that there was room for only four providers.

Mr. Bianchi said that the general consensus was that the tower would be sitting at entrance of the town and whether it would benefit the people of New London. He understood that it would benefit the town by income generation, but would it also be a benefit to those who have cell phones in town or just for the people running up and down I-89. Somewhere along the line, his recollection was that one of the conditions of the lease was that it would be of some benefit for the people in New London.

Ms. Levine said that the cell tower company agrees with everything else that the Board of Selectmen have insisted on being in the lease. She remembered saying they could make it a condition of the lease to require them to have specific companies included, but she wasn't sure they should make the language on the lease so strong that the company wouldn't want to deal with them anymore, or if they should merely ask them to provide proof that they asked the specific companies to participate. This is the final provision left. Mr. Bianchi said he wanted to make sure that someone wasn't going to recall that they were promised certain carriers.

Chair Helm said that in the September 14 Intertown Record edition, she read that US Cellular had just put some towers in Sunapee to improve call quality for its customers. She wondered if this would preclude US Cellular from renting from the company who wants to put in their tower. Ms. Levine said that they could choose not to participate in the New London tower, but it would not preclude them from participating. Mr. Markoff said that he wondered if there was a physical height difference for a tower that can handle six providers versus four. Ms. Levine said that the tower TDM is proposing is 120 feet high and towers can go up to 180 feet.

Mr. Wheeler said he remembered when the representative from the tower company, TRM, was at a Selectmen's meeting and these same questions came up. The representative was very non-committal about putting who they wanted on the tower. He added that at Town Meeting, everyone said there were no guarantees, but he thought that people still may have heard it as a promise to make their cell phones work better. Kathy Bianchi remembered that this discussion happened at the end of the meeting and that many people were starting to leave when the question was asked by Will Kidder. She did not recall that there was any promise but rather that they would make every effort to make sure that the specific companies were included. Ms. Levine said that if the voters were that concerned about it they could have amended the article, and that was not done.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to use the language originally proposed by Ms. Levine for the cell phone tower lease. THE MOTION WAS APPROVED UNANIMOUSLY.

Assessing Update: Ms. Levine said that the assessors are currently taking phone calls to schedule informal hearings for assessments and appointments are filling up. Great Pines and Little Sunapee residents are

coming in the most but they have not had the outcry they had in 2002-2003. The other thing she wanted to mention was that the website was updated the previous afternoon to include building sketches. Mr. Wheeler said that he noticed Ms. Levine showed an overlay \$30,000 in the 2011 draft budget and he thought it was \$45,000. Ms. Levine said that it was \$45,000 in the current year due to the revaluation, but she thinks it can go back down to \$30,000 in subsequent years.

Mr. Markoff asked how much of an increase was due to new buildings starts. Ms. Levine said that roughly \$4 million of the \$18 million increase in overall property value resulted from building permits. The grand list went from \$1.068 billion, to \$1.085 billion. The appreciation comes largely from the property on the lakes. Ms. Levine said that all of this information was available on the Town website.

From the Desk: Chair Helm noted that the Selectmen had received an e-mail from a citizen in New London asking about the purpose of Ms. Levine's weekly article that appears in the Intertown Record. Chair Helm read aloud a personal statement that she had prepared in advance of tonight's meeting:

This past week, the Board of Selectmen received an e-mail from a Town resident who had concerns about the "purpose" of the weekly article in the Intertown Record. The resident's concerns were related to the weekly article, written by our Town Administrator, Jessie Levine, titled From the Desk of the New London Town Administrator. In the spirit of transparency and accountability, I asked to have this put on our Agenda for discussion.

The initiation of this idea for a weekly column came in March/April of this year, when it was becoming of increased concern on the part of the Selectmen and the Town Administrator that New London was not receiving regular coverage of our meetings, and that, therefore, Town residents were not as well informed about their Town as they should be.

Our Town Administrator met with the editor of the Intertown Record and then with me, as Chair of the Board of Selectmen. It was decided that our Town Administrator would try writing a weekly column, each week highlighting some aspect of what would be informative for our residents. I was fully aware of this initiative, approved it and the Board of Selectmen were informed that it would be occurring.

Since late April when these columns started to appear, we have received many, many positive comments, over 100 to be exact. Four last week alone! Our Town Administrator is always asking the three of us for topic suggestions, and there have been a number of times when she has asked me for advice on wording or messaging. We do not see every column before it is printed.

Further, we have received nothing but positive responses, indeed too many to count, on the e-mail blast which is sent from the Town Administrator. Town residents seem to appreciate the efforts which are being made to keep them informed.

There has always been only one purpose for these two communications and that has been to inform more fully and to encourage engagement of Town residents in the affairs and topics of the Town. Because our Town Administrator writes well, it only takes about an hour or slightly more to write these missives. Should a resident find a particular column disturbing, it is because that particular reader has chosen to interpret a particular column through his or her own interpretive lens. The columns were never intended to "tell" residents how to vote, think or act, and they do not.

The writer of this past week's e-mail has asked some questions, some of which I have answered. I will now ask my colleagues to respond, as it was received by all of us.

Chair Helm emphasized that she wrote that on her own behalf and not on behalf of the Board of Selectmen. She asked her colleagues if they had any responses they would like to mention with regards to the questions from the citizen and wondered how the rest of the board would like to respond to the letter from the concerned citizen.

Mr. Kaplan said he has always enjoyed the columns, and people he meets around town have been positive. Several people tell him that when they go to Florida, they are pleased to be informed of what is going on in town by reading the columns. He doesn't know why someone was having negative feelings about them.

Mr. Bianchi said that as they've noted in the past, he sees different people than the others on the board see. Chair Helm interjected and said that all three of them represent the town as best as they can and their paths do cross many people. She felt that his continually making this claim was counterproductive. He said that although she could disagree, he still believed it to be true. He went on to say that he has heard people say that the letters are good but also they wonder if the Town Administrator doesn't have anything else to do besides telling people how to raise their children or to do their business. He said they are informative similar to how the Wilmot Sewing Club's articles are, and he felt that the last letter seemed to have some propaganda in it. For the most part the letters have been pretty straightforward. This one included salary information and seemed to portray where the town was going before the Board of Selectmen had even discussed it.

Chair Helm asked if anyone else had any remarks regarding the letters. Mr. Markoff said he was a big fan of the columns and he has encouraged the School Board to do the same thing. He called the columns a "beacon of light" for the community. People just don't know what is going on and having such a column is a great opportunity to communicate, which can both help with people's understanding and misunderstanding of issues. Overall, the ability to communicate what is happening is important. He felt it was a great addition and was very pleased and encouraged by it. He opined that Ms. Levine wrote very well and communicates clearly. He didn't think that she was ever trying to persuade or propagandize in any way. He has found some of the questions that she has raised to be provoking and he thinks it is a good thing to get people thinking about issues facing the town.

Kathy Bianchi said that she agreed and thought Ms. Levine did a great job in terms of the pieces she writes. She thinks in terms of communication and in getting news out there it is great and is what they should be doing. The one thing they have to remember, however, is that everybody is going to read it and everybody may well have a different opinion of what they read. Her feeling is that they have received numerous emails and comments indicating that people love and appreciate it. It shouldn't be that surprising that they may get some people who have a different viewpoint. They are as credible in their view and opinion as those writing the positive responses and comments.

Chair Helm said that the writer of the comment asked the Board of Selectmen to reconsider allowing Ms. Levine to write the letters. She felt that they should vote on this going forward so she has their approval to continue.

Mr. Wilson said that Ms. Levine was a marvelous writer and her articles were informative. He thought it was a way to communicate things to the town, but when an agenda starts to be advanced, the people should speak up about it. He said he has concerns about being told about child psychology, etc., but he doesn't have to read it if he doesn't like it. He didn't think that talking about an agenda was the wisest thing to talk about in that forum.

Ms. Levine said the only agenda in talking about employee pay being in the 60th percentile was to let the people know that there is a lot of oversight of salaries in New London and that it isn't a place where the taxpayers are likely to be ripped off such as what happened in California. She had even mentioned that her own study had not yet been seen by the Board of Selectmen. Ms. Levine said that David Webster had

suggested that she write something about the salaries in Bell, California, and let people know how transparent New London is with its salary-setting process. Her only agenda was to communicate that they are open about their wage process and the information is readily available. She wanted people to know that the New London government is doing right by them. The process is open, and the information is there. That was all she was trying to communicate.

Chair Helm said that this issue was being brought forward as it was addressed to all of the Selectmen and she thought it should be discussed in the open.

Ms. Levine said that she thought it worth mentioning that she generally writes the articles on her own time on Sunday nights. The Quicklink newsletters that used to go out periodically took a lot of time, and the columns allow her to get out more information more quickly. She thought that perhaps the article has helped the Intertown with some circulation. No one in New London has stepped up to be the “New London neighbor” to share events and goings on in the town.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) that they advise Jessie Levine to continue with her commentary referred to as “From the desk of...” that appears in the Intertown Record. THE MOTION WAS APPROVED UNANIMOUSLY.

CAC on October 9, 2010: Chair Helm noted that the president of Colby-Sawyer College, Tom Galligan, would be joining the Citizen’s Advisory Committee on Saturday morning.

OTHER BUSINESS

Statewide Property Tax: Chair Helm referred to a public forum on October 18 in Moultonborough on the statewide property tax to inform legislators. Ms. Levine said that they don’t have to go but that there was not a meeting of this sort in their area. Chair Helm said she would try to go. Mr. Kaplan said he would try as well. Ms. Levine said she would check with Pat Remick on the importance of them being at the meeting, as it is a night meeting and quite a distance from New London.

Mr. Markoff asked how the school cycle goes with the town. It was disturbing for him to see that if there were a school surplus, they don’t get to retain any of it to invest into the children’s education. It is a struggle every year to have the resources available to the school. In the New London Elementary School, there are one or two Smart Boards, which cost about \$8,000 each. In order to get another one they have to ask at budget time; they were unable to use the surplus to purchase items like this. This comes upon a collision course when retirement pay, regular pay and the like are brought up alongside things like Smart Boards or math coaches. He wondered what kind of legal agreement the school could have with the Town to be able to be able to keep the money. Mr. Kaplan said the State created a definitive wall between the school and the town. Ms. Levine said their Town Meeting can’t vote to spend money that belongs to the School District. She said Town Meeting could vote to purchase Smart Boards for New London Elementary, but could not spend it out of school budget surplus.

Mr. Markoff said that if there is a \$1 million surplus and they give it back, they are now going to be vying for that funding the following year. Ms. Levine said that the School District can spend the money before it becomes surplus. That is how they were able to renovate the SAU offices. Mr. Markoff said he was looking to explore if there could be a capital improvement line or education line, if nothing else, for the town to invest in Smart Boards or other educational tools for elementary kids. Mr. Kaplan said that the school can always ask for the money in its budget and the Budget Committee will say “yes” or “no.” The Town of New London can’t tell the School Board on how to spend the money. Ms. Levine said that the Town could legally gift it to the school. Mr. Kaplan said that gift would come from taxpayer’s money. Mr. Markoff said that as a town citizen and involved citizen and parent, he is trying to understand how it all works.

Mr. Bianchi felt that Mr. Markoff's problem was with the School Board budget. If they have a surplus of \$1 million, they should have appropriated that money to do what they need to with those dollars. The elementary school is part of the Kearsarge Regional School District, not just New London Elementary School.

Chair Helm said she has had experience in a school system where a private group started fundraising and it was enormously successful. This could help buy some of these special things for the school. If younger parents want to keep their children in the public school system, they may want to talk about this.

Ms. Levine added that three to four years ago, the Town of New London contributed \$8,000 to build the new playground at the elementary as part of the New London budget process. Mr. Markoff asked if he could mention to Dr. Johnson that there was a legal avenue that they could get this kind of gift from the Town. Ms. Levine said it was a legal avenue that could be used.

Mr. Kaplan commented that there were a great number of school districts in the same position as Kearsarge. There is no way to put the money away for the next year. If the right towns approach the legislators, the law could be changed. The Board of Selectmen was the wrong venue for that and they would have to go through the legislative process.

Healthcare: Ms. Levine said that Chair Helm had asked her to look into healthcare options. She passed around a spreadsheet showing variations in health plans and employer/employee cost-sharing for the Board of Selectmen to consider before their meeting on October 18.

Non-Public Session: IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to move into non-public session pursuant to RSA 91-A:3 II(a) for the purposes of discussing employee salaries. Roll call: Bianchi – yes; Helm – yes; Kaplan – yes. THE MOTION WAS APPROVED UNANIMOUSLY.

Upon returning from non-public session, the Selectmen signed the following items:

Application for Building Permit:

- William & Joan Gaffney, 202 Sargent Road (Map & Lot 086-008-000) extend deck – Permit #10-106 – Approved.
- Christina M. Helm, 651 Main Street (Map & Lot 096-004-000) renovate master bathroom – Permit #10-107 – Approved.
- Joseph DeChant, 39 Blueberry Lane (Map & Lot 098-001-000) build cape style shed – Permit #10-108 – Approved.
- Paul & Linda Messer, 114 Sutton Road (Map & Lot 123-027-000) remove old barn – Permit #10-109 – Approved.
- Hugh & Judy Chapin, 267 Lamson Lane (Map & Lot 062-007-000) replace boards on deck – Permit #10-110 – Approved.
- Charles & Cynthia Lawson, 1549 Little Sunapee Road (Map & Lot 030-007-000) Permit #10-111 DENIED – proposed system is less than 75' from a jurisdictional wetland

Application for use of New London Inn Common:

- Friends of Bob O'Dell, October 17, 2010 3:00 PM – 5:00 PM – Approved.

Application for Raffle:

- Colby Sawyer College, 541 Main St. – raffle to be held on campus, drawing 11/17/2010 – Approved.

Application for use of Archives Room:

- Community Action Program, scheduled outreach appointments for fuel assistance. 2nd & 4th Tuesday from 9:00 am – 12:00pm October 2010 until April 2011. Approved.

Application for use of Whipple Memorial Town Hall:

- Colby Sawyer College theatre program and Center for the Arts 10-minute plays – need to use Whipple hall for rehearsals and the performances – November 15 – December 5, 2010 - Approved.

Application for Sign Permit:

- Temporary - The Fells, Newbury NH, sign at Information Booth for Christmas at the Fells – 11/1-11/14/2010 – Approved.
- Temporary – Kearsarge Chorale, 2 signs – 1 at Information Booth, 1 at First Baptist Church – Nov. 7th – Approved.
- Temporary – 4 signs for NLOC events - Approved.
 - 1. 10/25-31/10 Monster Mash
 - 2. 10/25- 31 Monster Dash
 - 3. 11/6 – Ski & Skate sale
 - 4. 11/11-20 – Movie Night
- Permanent – Chiarella Law Office, sign on side of building, 22 Pleasant Street (Map & Lot 084-086-000) Approved.
- Permanent – Center for The Arts, sign to be hung below Zerocelsius sign, 228 Main St. (Map & Lot 084-064-000) Approved.

Other:

- Request for tax exempt status – Ladies Benevolent Society of Elkins – Approved.
- Disbursement voucher for October 4, 2010 -- Approved
- Approval of the contract with ASM for Transfer Station shingled roofs. – Approved.

The meeting was adjourned at 10:05 PM.

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London