



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES December 29, 2008

PRESENT:

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

ALSO PRESENT:

Jerry Frew, Superintendent, KRSD
Donald Bent, Town Health Officer
Jay Lyon, Fire Chief
Dave Seastrand, Chief of Police
Richard Lee, Public Works Director
Chad Denning, Recreation Director
Carol Fraley, Finance Officer
Sandra Licks, Tracy Library Director
Linda Hardy, Town Clerk
Bob Lavoie, New London Resident
Mark Wendling, New London Resident
Debbie Cross, Intertown Record

Application for Sydney Crook Room:

- New London Area Duplicate Bridge Club, every Thursday 5:30-11:00 (excluding Christmas, Thanksgiving, New Years) Approved.

Other:

- Disbursement voucher week of 12-29-08 & week of 1-5-09 - Approved.
- Cartographic Associates, Inc. GIS Internet Services proposal and contract – Approved.
- Underwood Engineers, Inc. – Approved.
 - Report Phase Engineering Contract – Capacity Apportionment Validation Review
 - Report Phase Engineering Contract – Evaluation of Grit Removal System
 - Design Phase Engineering Contract – Main Pump Station Electrical Improvements

MEETING MINUTES: The draft Minutes of the December 6, 2008 CAC meeting were reviewed and amended by adding the following discussion items suggested by Bob Lavoie:

Mike Doheny stated that as a nonuser, he did not feel that he should pay for the treatment plant capital cost improvement.

Howard Hoke expressed concern that as a business owner and sewer user that businesses would have to carry an unfair cost burden (and drive away commercial users from New London) if only sewer users were responsible for capital improvement costs.

Gary Markoff questioned whether the treatment plant expenses could be postponed or avoided. Bob Lavoie pointed out that the treatment plant's purpose was to protect the environment and the upgrade was required. This led to Mark Kaplan's remark about repairs probably being required in the next 24 months.

Bob Lavoie also pointed out that treatment plant allowed the Town greater population density to grow in the future and therefore it should be a Town-wide cost responsibility. This led to Larry Ballin's remark about future zoning changes for affordable housing being dictated by the State.

Peter Bianchi questioned whether zoning (density) could be unilaterally changed as a result of sewer lines being added to a neighborhood. The answer was no, zoning changes required warrant voting. Peter then suggested that additional sewer lines would be desirable to service lakefront properties.

A (unknown) member (thought to be Rick Anderson) summarized that he was neutral on the issue of who was responsible for capital improvement costs, but he felt that an equitable distribution of the capital costs to all residents was probably the most realistic.

Bob Lavoie asked if there were additional capital improvement phases planned beyond the one presently being engineered. Jessie Levine answered yes, and future phases needed to be defined and scoped by Sunapee for a total cost to meet State/EPA standards.

Mr. Ballin questioned that in paragraph 3, line 2, was Doug Hany actually referring to Mike Doheny? It was agreed that this was an error in the minutes and the name was changes to Mike Doheny. Mr. Ballin also noted that in the last paragraph, 7th line, in order to improve clarification, the words "of the intersection" should be inserted following the words "on the Seamans Road side."

There being no other changes to these draft minutes, Mr. Kaplan called for a motion for approval. This was moved by Mr. Ballin and seconded by Ms. Helm. The minutes were approved as amended.

The minutes of the December 22, 2008 Board of Selectmen's meeting were approved as presented.

NEW BUSINESS:

2009 Planning/Priorities: Ms. Levine noted that for the January 5th meeting she wanted to place on the agenda a review of the priority list that she had done a few years ago. She will e-mail this to the Selectmen again for their review. She said that this meeting would be good opportunity to do some year-long planning and prioritizing. She encouraged the Selectmen to think about this topic, as well, in preparation for that discussion.

OLD BUSINESS:

Storm Follow-up: Ms. Levine said that she was planning a workshop/debriefing meeting with the Emergency Management Committee (EMC) for January 5th at 12:30 PM to review the Town's responses to the issues generated by the recent ice storm. She said that Mr. Ballin will be in attendance to represent the Selectmen, noting that he was active in many capacities throughout the storm and therefore would be able to add to the discussion. She commented that the purpose of this meeting was to have an honest assessment of the EMC response. She thought, from a facilitation standpoint, it might be overwhelming, and could possibly impede the debriefing process, if all three Selectmen, who are their supervisors, were present. The Selectmen agreed with the parameters for this meeting and approved of Ms. Levine's intentions for soliciting input from the EMC which will help the Town in similar situations in the future.

Ms. Helm thought that perhaps the public should have a chance to express their opinions and suggestions regarding the Town's response to the ice storm. Ms. Levine said this could be done in two ways: they could either share with her the feedback that they have been receiving or a public meeting could be scheduled to provide that opportunity. Mr. Kaplan noted that most of the concerns he has heard have to do with the power outage and there was nothing the Town could do about this. He noted, however, there might be ways in which the Town could improve its communication with the residents. Mr. Ballin suggested that the Selectmen provide an opportunity to solicit this input at their January 5th meeting, at 8:00 AM. Ms. Levine suggested that as a follow-up the Selectmen should request a representative from Public Service of New Hampshire come and meet with them to respond to the concerns expressed. Mr. Ballin noted that even the Governor and every level of government is aware of the problems and felt confident that these will be addressed in a top-down fashion. He asked that Ms. Cross, of the Intertown Record, indicate in her article reporting on this Board of Selectmen's meeting, that the Town is going to be taking comments regarding its response to the ice storm at their January 5th meeting at 8:00 AM. She indicated this would be done.

Ms. Levine noted that communication with residents was an issue when the internet and phone service is disrupted. Ms. Helm thought that perhaps more informational postings at pre-designated places might be useful. Ms. Levine said that this was one topic she wanted to discuss at the EMC debriefing.

Mr. Ballin said that he was not aware of anyone who suffered severe consequences as a result of the power outage. He said that both the police and fire departments went door to door in designated neighborhoods making sure that people were aware of the alternatives to staying home in cold homes. Ms. Levine said while she believed this to be true, there were people who suffered physical damage to their homes and businesses. She said that she has already filed a questionnaire with the State which asked for information on any homes or businesses that were damaged by the storm. She has now been asked to provide more specifics regarding those homes and businesses. This information will help FEMA with their reimbursements. She said that although the Town provided information to the residents on Tuesday about how to prepare and protect pipes in their homes, it was too late in some instances. She thought this type of information could be provided ahead of time so residents are better prepared. Ms. Helm thought perhaps this could be put in some sort of handbook and distributed to the Town.

UPCOMING SPECIAL MEETINGS:

Sunapee Sewer Commission: Wednesday, January 7 at 5:30 PM: Ms. Levine said that this meeting is a follow-up on the Sunapee wastewater treatment plant design. It is anticipated that at this meeting a proposal will be presented by the design engineer regarding the wastewater design cost. Speaking of wastewater, she presented three contracts from Underwood Engineering for approval by the Selectmen (and execution by Mr. Kaplan on the Town's behalf):

- Design Phase Engineering Contract which is the peer review of the Sunapee wastewater treatment plant engineering contract. Underwood Engineering will be overseeing the engineering design work submitted in the proposal by Wright-Pierce of Sunapee. This is a \$9,500 contract. Mr. Ballin requested clarification that Underwood will only be overseeing the engineering design phase and not the actual construction. Ms. Levine said that this was correct. She noted that Attachment A, "Scope of Services" for this contract says that they will attend up to four meetings as requested by the Town during the planning process to obtain information necessary to allow an opinion of the appropriateness and cost effectiveness of the evaluations of the proposed upgrades; provide opinions to NL on data prepared for Sunapee by their consultants during the planning process; review and comment on the basis of design and design criteria for the proposed upgrades to the Sunapee Waste Water Plant, including projections on probable future effluent limitations, level of treatment proposed, and future waste water flows of NL; review and comment on solid handling options evaluated and proposed for upgrades to Sunapee Waste Water Commission; review and comment on

opinions of capital and operating costs developed for the proposed for the upgrade; and assist the Town of NL in providing responses for request for information to the Town of Sunapee to be used in the planning process.

Mr. Kaplan stated that there are two phases for this project. The total of the two is \$7.6 million, with \$3.8 million designated for phase one. In the \$7.6 million, 40% is actually contingency, illustrating that there is much guesswork in these figures. He said that he is always uncomfortable with this type of estimating because the Selectmen are going to be required to go before Town Meeting requesting authorization to borrow millions of dollars and he would like more concrete figures. He said that is why he wants Underwood to perform an oversight function.

- Contract proposal with Underwood Engineering to design the renovations to the electrical panel at the main pump station in NL, similar to the work done at the Georges Mills Pump Station. This contract is for \$19,000. Ms. Levine said Underwood has applied for State aid for this, which would mean hopefully that 30% would come from the State in the event that the reimbursement program is funded.
- Contract proposal with Underwood Engineering to evaluate New London's old grit removal system at the main pump station and to design a replacement system. This contract is for \$15,000 and has also been submitted to the state for reimbursement.

Ms. Levine noted that all of these contracts are in the wastewater budget for 2009.

SCHEDULED MEETINGS:

KRSD Budget Presentation: Jerry Frew, Superintendent of KRSD, was welcomed to the meeting at 8:30 AM to discuss the KRSD 2009 school district budget. This presentation was originally scheduled for the December 15 BOS meeting which was cancelled due to the ice storm. Mr. Frew said that the additional time had given him and his staff an opportunity to better understand where the Municipal Budget that summarized the SAU 65 budget for 2009-2010. He noted that the budget comes in at a 5.93% increase, with about 4.25% of that being wages, fringe benefits and retirement. Utilities, principal and bonds are about 3.8% of the total increase and transportation is about ½ of 1%. The out-of-district special education tuition expense is about ¾ of 1%. Other operating costs, which include textbooks, supplies, etc., are less than ¼ of 1%. He noted that federal funds have been reduced, as well as state funds for catastrophic funds or school building aid, causing a greater burden on the School District. He said that the 5.93% increase would allow for the continuation of:

- Project Excel and academic after school support systems for students in danger of failing classes. This currently serves 8 students per day.
- The "Zone," an after school activities program that serves approximately 20 students from 2:15-5:30 two times per week, reaching over 100 different students.
- Kindergarten class size at 15 students per class with one session eliminated in Sutton and one eliminated in Springfield.

The proposed budget would also allow KRSD to:

- Meet its statutory obligations of an increase in the employer share of the State retirement system at an increase of 17.79% over the prior year contribution.
- Meet the obligation to the placement of students whose needs require services beyond the District's capabilities.
- Provide services (required by law) to students who speak English as a second language.

- Provide administrators with the limited professional development funds that they turned back for the 2008-09 school year to help the District meet other needs.
- Anticipate propane costs at \$2.90 per gallon, fuel costs at \$3.70 per gallon, and heating oil at \$4.00 per gallon... 12 to 18 months from now.
- Provide up to a 4% raise for non-teaching employees.
- Honor an agreement with New London Hospital to provide athletic trainer services for athletic teams.
- Meet actual costs related to snow removal and weather related expenses.
- Accommodate the increased costs of shipping incurred by all components of the program (supplies, food, textbooks, etc.)
- Continue to place para-professionals on buses that carry medically fragile students to meet obligations under their individual education plans.
- Provide an opportunity to reorganize custodial and grounds maintenance services to more efficiently meet the increasing demands of proper grounds and building maintenance.
- Purchase school buses that are required to transport students with special needs whose families reside in remote areas not accessible by regular buses.
- Continue the learning experience of environmental camp.
- Keep up with mathematics textbook purchasing plan.
- Proceed with the phased-in replacement of the sprinkler system at KRSD as recommended by Hampshire Fire and Simplex.

In discussing the budget, Mr. Frew said his principals noted that the biggest issue facing the development of the budget is allocating the appropriate funds to cover the unanticipated costs associated with out of district and move in costs for special needs students. The budget for out of district expense was increased by \$250,000. In the past, this unanticipated expense has been covered from other accounts. Currently, KRSD pays between \$12,000 to \$180,000 or \$190,000 per student, with a total of 23 students, on out of district placement rolls. He noted that the expense for two particular students exceeds \$150,000 per year.

Ms. Levine said she had thought that this year's budget included a portion of undesignated funds allocated to reimburse or cover the out of placement costs. She thought there was also a capital reserve fund for that purpose. Mr. Frew said there are two funds established for this purpose. One was established several years ago to cover unanticipated out of district costs. The most recent established special education trust fund was for in district eventualities. Mr. Frew gave an example as to how this fund has been used recently sighting the need for the district to purchase a school bus with 4-wheel drive and a handicap lift to service a student who lived in a remote area of the district. The district is required by law to provide transportation for this student. This cost of this bus is \$45,000, which will probably reduce that fund to zero by the end of the year.

Ms. Helm asked if there was any State aid available for out of district placement. Mr. Frew said that the State has catastrophic aid to assist with reimbursement for certain catastrophic situations. He said that for a child to qualify for this aid they have to reach a threshold of \$38,000 of expenditure. Once this is met, a formula kicks in that allows the district to request funds over and above the \$38,000. He noted that this year the district has submitted requests for over \$400,000 in aid. He said that he has recently received word that due to the State budget, catastrophic aid will probably be refunded at about the rate of 85%. In addition to that, he was notified that State building aid, which has historically been funded at 100% over time, will now be funded at not more than 97% in the next fiscal year.

Mr. Frew noted, as a point of information, that the district has conducted an audit of special education services which will be presented at the next school district meeting. This audit identified four school districts that conformed demographically to our district. This audit will compare KRSD with those

districts in terms of case load, how many students are served, etc. and will provide useful comparative information regarding where KRSD stands with its peer communities.

He further noted that if the district has a student placed in a correctional facility, the district is responsible for covering the educational costs for that student up to age 18, unless the student is special needs and then the age is 21.

Mr. Frew said that this 5.93% budget is not without sacrifices, which include:

- The reduction of approximately 5.5 full time positions at various levels that will potentially result in increased class size in grades K-12. Current state guidelines for class size are: Kindergarten = 16 students or fewer; Grades 1-3 = 22 or fewer; Grades 4-5 = 26 or fewer; and Grades 6-8 = under 30.
- Not hiring personnel that are needed. Specifically a human resource position to serve the 475 employees; secretarial time in special education to meet the increasing demands of correspondence and deadlines to remain in compliance with state and federal laws; health education in grades K-5 to comply with school approval standards; not adding additional sections of art classes to meet student requests.
- Defer maintenance on a number of projects including several paving, sealing and parking lot repairs; refurbishing the high school auditorium; replacing aging equipment; high school bleacher repairs, phase 2.
- A number of academic programs that are also determined to be successful for students were discussed but are also "put on hold." These include full-day kindergarten; foreign language introduction in K-5; instrumental music in the elementary school; and additional AP options for high school students.

Mr. Frew said that this budget will allow the district to meet the obligations of its collective bargaining agreement with KRSD that was accepted by voters in 2007.

Mr. Frew reviewed the other Warrant Articles which will come before the District voters:

- Warrant Article # 2 for \$4000 provides for a 2.5% one-year raise in salary for para-educators while collective bargaining is on-going.
- Warrant Article # 3 gives permission to the Board to sell the SAU 65 building and establish funds to relocate district offices that are currently in that building. The trust fund will be established at \$600,000. The current office space does not meet safety code or life safety standards. The plan would be to renovate and move into the library area of the old middle school, the renovation for which would be about \$600,000. A 2005 estimate to renovate the current building was about \$800,000.
- Warrant Article # 4 asks permission to add \$75,000 to the special education trust fund.
- Warrant Article # 5 says that if there is a surplus in the budget for the school year, a trust fund will be established to pay for utility, equipment or other emergency costs.
- Article # 6, which was submitted by citizen petition, asks to contract with the Town of Sutton for a school resources officer to be housed primarily in the high school and middle school. Although the need is acknowledged, this article, in this tight fiscal time, is not supported by the school district or the budget committee. The dollar amount for this is \$72,000.

The Selectmen thanked Mr. Frew for his very useful and informative presentation. Mr. Frew reminded the Selectmen that the deliberative session on the SAU budget was to be held on January 10, 2009 at 9:00 AM at the high school.

Department Heads for Budget Review: Ms. Levine stated that following the budget meeting on December 4, 2008, she convened a meeting of the Department Heads on December 10 to review their budgets and their suggestions for further cuts. These were reflected in the budget spreadsheet which she passed out to the Selectmen. She said that the budget had been further reduced by a total of \$157,000. She said that there would be some further reductions since she only took the line item salary out for the part time summer help position for the Recreation Department and the proposed three extra shifts of the part time dispatchers. There would be some further cuts as a result of these position eliminations when FICA and Medicare, etc. were deducted. She said that as the budget stands now, with the cuts made so far, the budget is only a 1.2% increase over 2008. She thought that this was a budget that we could be very proud of and thanked the staff for their willingness to assist with this goal. She noted that this budget with the 1.2% increase still includes the Whipple basement project at \$400,000.

She said that before these changes were made and then taken to the Budget Committee next week she wanted to talk to the Selectmen and also to discuss some of the impact that the public will see as a result of these changes, emphasizing that there will be some impact. She noted that this budget tried to minimize the hurt to the employees. Beyond the prescription plan, this budget does not include any changes to employee benefits. She then highlighted some of the changes represented on the spreadsheet. These included a scale back of the Town Report, which will not be mailed to further reduce cost, but will be available for pick-up by residents. All building expenses have been tightened up. The use of legal services has been cut back. The Police Department will not replace the 2006 cruiser as scheduled, but did need to increase cruiser maintenance to run the vehicle for another year. The PD will also postpone the purchase of a telephoto lens and digital camera. Dispatch services will reduce the cost of uniforms. She noted that all dispatch costs will only result in a 65% reduction impacting New London, since the cost reductions will be passed on to customer towns. The Fire Department will postpone the purchase of a rescue tripod. The Highway Department will postpone paving projects and reduce street painting. The Transfer Station will use capital reserves to cover repairs and reduced the anticipated costs of recyclable disposal. The Recreation Department has reduced the travel and meals budget and will use fee increase revenue from revolving funds to cover a program assistant position. For all departments, Ms. Fraley recalculated the costs of gasoline and diesel fuel and as a group agreed to use \$3.00 per gallon for fuel as a cost, rather than the previously used \$4.00 per gallon.

Chair Kaplan commended the Department Heads for the great job they did and for their willingness to cooperate during this difficult time. Mr. Lee said that the group tried to cut where they could but none were willing to cut where safety would be an issue. Chair Kaplan agreed with that decision. Ms. Levine commented that with the storm that occurred last week, it would be great if the Town got the money back from FEMA in 2009, but that this cannot be counted on to resolve budget issues. Chair Kaplan commented that the 2008 budget was \$7.9 million. He asked Ms. Fraley how close we were going to come to that. She responded that she did not know at this point, but thought there might be limited surplus at the end of the year.

Mr. Ballin commented that the budget has never been "fat" and this cutting has been taking things out that we hope can be added back in next year or in coming years. He did not think the budget could stand many more years of the cutting that has taken place this year. He wanted the message to go out to the Town that this budget is more of a sacrifice rather than a pairing out of any fat in the budget. Ms. Levine agreed with Larry Ballin that at some point these cuts in operating cost and capital expenses will have to go back into the budget unless the citizens are willing to take a cut in services. Ms. Levine said that she thought that the county budget was going to be about a 1% increase for 2009. She also noted that unfortunately the tax bills will be going up, because any increase is still an increase. She said that she hoped the Selectmen will back up the Town administration and departments if any complaints should arise due to reduction in services brought about by these reductions.

Mr. Ballin questioned what the current price of asphalt is since this is a petroleum product. Mr. Lee replied that he did not know. Mr. Lee further stated, in response to a question posed by Mr. Ballin regarding the pre-buying of asphalt, that it is not possible to pre-buy asphalt now or enter into a purchasing contract, while the price is down, and use it in the summer for road resurfacing. Mr. Lee said that most contracts have a 30- or 15-day window that requires the purchaser to take the product within the specified period of time.

Ms. Levine summarized this discussion by saying that she thought it would be wise to prepare a document, similar to the one prepared by Jerry Frew, detailing the budget reductions and the impact of these reductions as well as delineating the resulting sacrifices that will be incurred due to these reductions. This document should include what the expectations are, but also what the limitations will be. In conclusion Ms. Levine wanted it noted that this budget still includes a 4% cost of living increase and funds for tuition reimbursement. Ms. Fraley asked that everyone get any additional budget changes to her as soon as possible. The Selectmen again thanked the department heads for coming to the meeting and for their cooperation.

Lakeside Lodge: The Board of Selectmen discussed the recent NH Supreme Court decision regarding the Lakeside Lodge appeal. The decision concluded that the town's oversight of the use of docks is pre-empted by state law, and that the NHDES Wetlands Division has jurisdiction in this matter. Ms. Levine said that, in essence, the decision said that the Town cannot regulate the use of public waters, short of a full blown commercial marina. Despite the outcome, the Selectmen expressed their relief that this matter is finally closed.

UPCOMING SPECIAL MEETINGS:

Sunapee Sewer Commission: Wednesday, January 7 at 5:30 PM in Sunapee.

Budget Committee: Thursday, January 8 at 7:00 PM at the Fire Station.

Mr. Ballin moved that the meeting be adjourned at 9:35 AM. Ms Helm seconded this motion.

Respectfully submitted,

Kathleen K. Colby
Recording Secretary