



TOWN OF NEW LONDON, NEW HAMPSHIRE

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NEW LONDON BOARD OF SELECTMEN MEETING MINUTES Monday, February 14, 2011

PRESENT:

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

OTHERS PRESENT:

Ben Cushing, Budget Committee
Bob Meck, Budget Committee
Bill Helm, Budget Committee
Jim Wheeler, Budget Committee
Kathy Bianchi, Budget Committee
Celeste Cook, Budget Committee
Bob Brown, Conservation Commission Chair
Carolyn Fraley, Finance Officer
Sandra Licks, Library Director
Richard Lee, Public Works Director
Linda Hardy, Town Clerk/Tax Collector
Linda Jackman, Town Administrator's Assistant
Dave Harris, Library Trustee
Bob Bowers, Library Trustee
Chad Denning, Recreation Director
Terry LeBlanc, New London Hospital
Don Griffin, New London Hospital
W. Michael Todd, Moderator
New London Residents: Phyllis Piotrow, Peter Messer, Dave Cook, Bob & DJ Lavoie, Gus Seamans, Bill & Ki Clough, Vahan Sarkisian, Sara Smith
Ken & Laurie Jacques, Springfield Residents

Chair Helm called the meeting to order at 6:00 PM. She thanked Dave Cook for coordinating the sound system for the meeting, which was being held in Whipple Memorial Town Hall.

Chair Helm began the meeting by reading aloud a press release from today, February 14, 2011, which announced the resignation of Town Administrator Jessie Levine, effective as of April 15, 2011. The release was read as follows:

It is with deep regret that the Board of Selectmen received and accepted the resignation of Jessie Levine as Town Administrator, effective April 15, 2011. The Board of Selectmen said that the Town of New London has been extremely fortunate to have Ms. Levine as Town Administrator for the past ten years, and pointed to her knowledge of governmental proceedings and dedication to the Town as invaluable.

The Board of Selectmen was unanimous in its good wishes for Ms. Levine's future.

Tina Helm, chair of the Board of Selectmen, said "in the two and a half years that I have worked closely with Jessie, she has been an amazing mentor and teacher to me. I wish her all the best." Peter Bianchi, who came onto the Board of Selectmen in 2010, said "I have a great deal of respect for the work, dedication and professionalism that Jessie has brought to the Town of New London. I wish her only the best in her future endeavors."

In her letter of resignation, Ms. Levine said "New London has meant the world to me, and I owe a debt of gratitude to everyone I have worked with over the years."

Mr. Kaplan said "as Jessie moves forward, we wish her the best in her professional development and I hope that we do not lose contact."

The Board of Selectmen intends to define a search process at its meeting on February 22, 2011.

Public Hearing on Proposed Bonds: Chair Helm continued the meeting by noting that pursuant to RSA 33:8-a, the New London Board of Selectmen will hold a public hearing to receive comment on: 1) a proposed bond not to exceed \$370,000 for the purposes of repairs and improvements to Tracy Memorial Library; and 2) a proposed bond not to exceed \$5,200,000 for New London's portion of the final engineering and construction of the upgrade of the Sunapee Wastewater Treatment Plant. She explained that information on these bonds had been shared through the Quicklink newsletter.

Ms. Levine said that the cost of the wastewater bond would be funded 2/3 by the sewer users and 1/3 by all taxpayers. Users' responsibility would be approximately \$5.30 per thousand gallons. The estimated tax rate reflected by this upgrade for FY 2012 would be \$.03 per thousand dollars of value. In FY 2013 it would be \$.12 per thousand dollars of value.

Chair Helm opened the floor to those who wished to speak.

Dave Cook asked if the interest rate assumption was 4%. Ms. Levine said that it was. Mr. Cook asked when the Town would bring the issue public. Ms. Levine said that it would be this summer (2011). Mr. Cook said that he was worried that the 4% would be too low. Mr. Kaplan said that they are currently paying 2.8% on a short-term bond. Mr. Cook said that he thought the rates would go up towards the 5% range. Mr. Kaplan thought that estimating at 4% was appropriate. Ms. Levine said the 4% was suggested at the advice of their treasurer, who is employed at Lake Sunapee Bank.

Gus Seamans asked if the \$8 million project was the same one that they had planned a year ago. He also inquired about engineering costs that had been previously approved. Ms. Levine answered that the total project is still estimated at \$8.5 million dollars, which was what was approved in 2010 by both New London and Sunapee at their town meetings. With regards to the engineering costs, and the amount of \$570,000 for engineering was approved in 2009 and will still be spent.

Mr. Wheeler asked what would happen if New London passed the bond but Sunapee did not. Mr. Bianchi said they would still go ahead and get done what they could with the money they have been approved to bond. They are not going to pay Sunapee's share, but it would most likely be a scaled down version of what they would ideally like to do. Mr. Wheeler asked if Sunapee would have funds to do a scaled down version. Chair Helm said she wasn't sure. They had once thought that Sunapee had money set aside for this work, but they are not sure that is the case now.

Ms. Bianchi asked if they appropriate the funds and pursue whatever can be done on the project, and if Sunapee continues not to approve their portion for the upgrades, is there any point at which the project will then be costing more money? She wondered if when Sunapee decides they will fund the project, would New London be responsible for more funding at that point. Mr. Kaplan said that it seems if New London passes and Sunapee does not, and if they sat on the money and didn't draw it down or pay interest, the State would come down on Sunapee with pressure. They would probably hold a special meeting and get it passed and they would move forward. Mr. Kaplan explained that the State wants to see the towns refurbish and repair the facility. He recalled the problems they had with Kezar Lake and didn't think they wanted those problems again.

Chair Helm said that they would rather be proactive in this and address the relatively minimal upgrades rather than have the State come in and give them major lists of upgrades that the town would be responsible to pay for. The State could take over how the repairs get done.

Ken Jacques stood and said that he was at the bond hearing last year and took issue of how the split was made between the tax base and the sewer users. He asked his question on behalf of different viewpoints he has heard. One view is that of a nonresident taxpayer, and one is that of a business owner who lives in Springfield and has a business in New London. The last is from the Springfield-New London Water Precinct. Mr. Jacques asked how they came to that particular split. Mr. Kaplan said it was because they thought it was fair. Mr. Jacques asked if the costly upgrades to the Colby Sawyer water tank and the water main would also have been fair to be split among the entire tax base. Mr. Kaplan said that he saw nothing wrong with having the same type of breakdown in that scenario. Chair Helm asked if that cost sharing request was ever made at the time of the repairs. Mr. Jacques said that it was never suggested to anyone and wasn't in the thought process. He felt the sewer users have had to pay more than they should have for a long time. He thought someone should have thought about eventual upgrades and repairs to the wastewater treatment facility, and put some money aside to deal with them as needed. Chair Helm acknowledged this sentiment and agreed with him.

Mr. Jacques said that he is a non-resident taxpayer and didn't feel it was fair how the sewer fees would be split. He said that someone who has a septic system will pay \$20,000 to change and replace it, without having to do a redesign, which would average out to about \$750/year. It seemed to him that it would be fair that the other people in town should be able to have some sort of subsidizing for all septic systems that are in the town. They have as much responsibility towards the public beaches, etc. and they have to pay for the town's sewer system as well. He didn't feel it was a level playing field and that it set a precedent. He understood having the entire town help pay for the plant, but he felt there has been some oversight of the entire system. They are up against \$8.5 million and think that everyone should participate in paying for it only because they participated in the initial project. Mr. Jacques said that they have almost \$4 million in the ground from the Water Precinct and none of it came from the town. They all benefit from having town water, and this feature adds value to homes in New London. The Precinct tax payers have shouldered quite a bit of debt and they are not yet able to borrow any more money.

Mr. Bianchi said that in Sunapee the users pay for the whole thing. He said that he has brought forth this view many times in the past. Mr. Jacques said he spoke to Mr. Gallup at the Wastewater Treatment Facility last year and confirmed that in Sunapee the users pay.

Mr. Cook asked if the existence of a sewer system like they have and their refurbishing is likely to be utilized by septic tank owners who are not on the system. Ms. Levine said that the ability to accept sewage is in the design of the upgrade in Sunapee. Mr. Bianchi said there are no plans to go around Pleasant Lake or other parts of town to increase the collections being sent to the facility. Mr. Cook asked if the engineers have made provisions for expansion for the future. Ms. Levine said that they have not, but the upgrade will allow them to use the full capacity they are not currently using because the plant can't handle it as it is. Mr. Cook asked what amount of expansion they are looking at in the town of New

London. Ms. Levine said approximately a couple hundred thousand gallons/day. Mr. Bianchi said that this has not been studied, as far as how they would expend the sewer in the town and how much they would increase their collections.

Chair Helm closed the public hearing on the wastewater bond and moved on to the Tracy Library bond.

Chair Helm said the Library bond was proposed at \$370,000 for repairs and improvements to Tracy Memorial Library. She summarized that the CIP Subcommittee started talking with the Library trustees and realized that they had a very long list of repairs. It was recommended by the subcommittee to ask for a bond to spread the amount being spent over a period of time. Ms. Levine indicated that at the CAC meeting earlier this month, Mr. Sarkisian had asked about how the tax rate would increase due to this project. She said that for FY 2012 it would be \$.01 on the tax rate. For FY 2013, where the principal and two interest payments would be made, it would be \$.04.

There was no public comment on the Library bond.

Chair Helm hoped those in attendance would all come to Town Meeting on March 9, 2011. She closed the public hearing on the bond issues.

Ambulance Proposal: Mr. Kaplan said that in recent weeks the Town Administrator has had the ability to sit down with those interested in how the ambulance service is being run. According to the estimates for next year, which is in the current budget, the ambulance costs will go up by \$38,735. In the discussion with the hospital, Ms. Levine has been able to negotiate with them. The Hospital has agreed to hold off the amount of the increase, and New London will pay the difference in their next budget. They are also going to be examining the ambulance service and how much it costs and how they can improve it. His experience was that when they bring in consultants, they come in with various ways to improve the services. It was his hope that they will come in with different methods that will save the hospital and the town's money.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to remove the \$38,735 from the budget.

Mr. Bianchi disagreed with Mr. Kaplan. On November 15, 2010 the Board of Selectmen heard a presentation from Bruce King, President of New London Hospital, who outlined several options the town could choose from. One was to pay up after the fact. Another was to do away with the day shift, and another was to not buy a new ambulance. He noted that at the meeting, Chair Helm recused herself and he and Mr. Kaplan voted to put in the extra \$38,735. The option to pay up after the fact was not discussed at that meeting. The hospital did make another presentation to the Budget Committee but nothing changed with the Board of Selectmen until they got an email from Ms. Levine about a meeting she had with the hospital on January 28, 2011. He saw no new evidence or information that made promising to pay some unknown amount in the next fiscal year any more appealing now than it was on November 15. Mr. Bianchi said he understood the discussion Ms. Levine and the hospital had, and it has been pointed out that the hospital and the town realize that they can't commit to pay any money at this point in time for FY 2012. In good faith, he didn't feel comfortable telling the hospital that New London would pay them next year. If they don't pay them it will lead to hard feelings. He didn't feel it was good practice to suggest that they have an open checkbook. Mr. Bianchi said that he was happy to continue paying \$132,000 as they requested and was approved by the Selectmen.

Mr. Lavoie asked if the payment up front would delay the purchase of a new ambulance. Ms. Levine said that it would not. Mr. Lavoie said that if there was a chance that the ambulance service would change, why would they buy a new ambulance at this time? Chair Helm asked Terry LeBlanc to answer this question.

Ms. LeBlanc said that they currently have two ambulances that have exceeded any life expectancy and that they have to spend phenomenal amounts of money to keep them going. Whatever happens to the ambulance service, they will still need ambulances. Whether they keep it in New London or sell it to a regional service, they still need it. Ms. Levine said that they would only be paying for the first year of the ambulance, not the whole thing.

Mr. Kaplan said that they have an opportunity at the time of the budget to reduce the budget by three and a half cents. They'll have to make up for it next year, but they may not have to make up the whole amount. They will still owe the hospital what they owe, but if they can save three and a half cents on the tax rate, they should. He didn't think they were there to build up the tax rate.

Chair Helm said that it is true that during the initial discussion she did recused herself, as her husband has been very involved in the hospital. Since then she has been aware of the statute on conflicts of interest; if the individual benefits from a decision one way or another, they must recuse themselves. She does not benefit either way and sees it as her fiduciary responsibility NOT to recuse herself from this conversation. Chair Helm admitted that this has been a challenging decision on her part but said that she will not recuse herself from the vote or the discussion.

Chair Helm noted that the hospital would be most happy to receive the whole amount up front. She feels it a good example of where different institutions of this town have tried to work together in the best interest of the tax payer. It may come out to be less in the end if they accept the proposal that Ms. Levine and the representatives of the hospital are proposing. If it is more than what the hospital has estimated, a year from now the hospital won't like it either because they will be paying their share too.

Chair Helm called for a vote on Mr. Kaplan's earlier motion to reduce the budget by \$38,735.

Votes for: Mark Kaplan, Chair Helm. Votes against: Peter Bianchi. THE MOTION PASSED.

Town Meeting Warrant: Mr. Bianchi said that at the last Board of Selectmen's meeting they proposed that the warrant would include details of how the Budget Committee and the Board of Selectmen voted. After further thought, he felt they should forego this as it may be cumbersome at this particular Town Meeting.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) not to list the votes that were taken for each warrant at Town Meeting. No discussion and THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Helm went through the warrant. Ms. Levine said that the Board of Selectmen is currently written as recommending each of the articles. If there were any who were opposed, they should bring it up then to discuss. She highlighted that once the budget is approved by the Budget Committee, she would like the Board of Selectmen to sign the warrant the following day. She wanted them to be comfortable with the tax rates as they are written, as she felt the way it was written was confusing.

Mr. Bianchi said that his first concern was Article 12. He wondered if it was written assuming they pass the new fiscal year with the payment due in June 2011. Ms. Levine said that whether or not the fiscal year passes they will use surplus as of June 30, 2011.

Mr. Bianchi noted that Article 5 was where they vote on the 18-month budget, but nowhere does it talk about the new fiscal year. He thought it should be noted that the money would be used to fund the fiscal year that the Board of Selectmen and the Budget Committee had agreed upon. Ms. Levine said that they can put this wording into the warrant and/or mention it when they introduce the article.

Mr. Bianchi said Articles 20 & 21 had to do with the design and engineering of Lamson Lane. He thought it should read that the grants would be used to offset the amount requested. He was not in favor of either one of those articles. He said he was also not in favor of Article 23 to spend money outside the borders of New London.

Ms. Levine said she can write Articles 20 & 21 to clarify, but noted that what was written currently was the same language she uses year after year and that it satisfies DRA requirements. Mr. Bianchi said that if there was no legal ambiguity, he was fine with it as written. Ms. Levine said that a vote to approve the article would approve the entire article. If the funds don't come through, they can't move forward.

Ms. Levine said that in Article 5 she was asked to include the tax rate impact and it was giving her heartache because the rate doesn't look like the other impacts. The way they collect the funds, the tax rate for the 6 month budget is higher than the following 12. They have to show 18 months of revenue against 12 months. The only legitimate tax rate in the calculation is the 18 month tax impact. She said she put it there because they had asked to see it but it made it more confusing to have it there. The entire Board of Selectmen agreed with her sentiments and thought it appropriate to remove the various tax rates and just leave the one for the 18-month budget.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to adopt the 2011 town warrant pending the few suggested changes, and pending the results of the Budget Committee hearing that evening. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to adjourn. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 6:59 PM.

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London