TOWN OF
NEW LONDON, NEW HAMPSHIRE
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BOARD OF SELECTMEN
MEETING MINUTES
MAY 5, 2008

PRESENT:
Mark Kaplan (Selectman)
Larry Ballin (Selectman)
Brian Prescott (Selectman)
Jessie Levine (Town Administrator)
Rep. Randy Foose
Rep. David Kidder
Sen. Bob Odell
Bob and D.J. Lavoie (Residents)
Debbie Cross (*InterTown Record*)
Anna Super (*Argus Champion*)
Peter Stanley, Zoning

Mark Kaplan opened the meeting at 8 a.m.

Senate Bill 539 & Constitutional Amendment 34

Randy Foose opened this discussion by reminding everyone that per court order, the Legislature has spent a year studying and arriving at a definition of "adequate education," and a year at costing that out. He said that Senate Bill 539 would establish the formula that would spread that cost of funding an adequate education out over time. If the bill passes, some communities will receive more funding than they have under prior formulas, some will receive less, and donor towns will be recreated. This last group, which includes New London, comprises those communities that collect more revenue in property taxes than they would receive under the formula.

He said a bill will go to the floor on Wednesday that would slow the whole process down somewhat. Supporters of that bill feel that, just as the Legislature spent two years defining adequacy and costing that out, they would now like to spend two years determining how best to fund that, and how to assure that the State has a clear understanding of its impact. In other words, at the end of the next two years, they would like to say that the system that has been put into place will have accountability.

He went on to say that they propose that for the next two years, they cap at 15% the amount of state dollars given to the towns in the first of the three groups created by SB 539, and for that period of time hold harmless the donor towns and the towns that would lose money under the new formula. Brian Prescott asked how they arrived at the 15%. Randy Foose said based on anticipated state revenues including the statewide property tax. He said there will be of course, pressure to increase revenues. Jessie Levine asked if they propose to raise the statewide property tax. Randy Foose said not next year, but there could be a new Legislature in place after that.

He went on to say that this summer they will be forming two new committees: one to study how the adequacy funds will be distributed, and the other to determine how to assure accountability in the system.

He said that as were the committees that defined adequacy and costed that out, these committees will be bipartisan.

He said that he anticipates that the bill that leaves the House floor on Wednesday and goes to the Senate on Thursday will state that next year's school budgets are set as they are, and the 2010 school budgets will receive further scrutiny to assure that there is no adverse impact to either donor towns created by SB539 or towns that will receive less money under SB 539.

Brian Prescott asked how much of the state budget will go to the underfunded communities. Randy Foose said right now, the state spends $890 million. If the bill passes, that will be $940 million in 2010. Again, he reminded everyone that that must come from the statewide property tax and state revenues from other sources (such as real estate transfer taxes). He added that this still must get through the House floor and then a Committee of Conference, so all this still could change.

Mark Kaplan opened discussion of the constitutional amendment. Randy Foose said the Governor is supporting this as a means of obtaining clarification of what the State can and cannot do (regarding education funding). He said that this amendment died on the House floor last year. This year, the Senate has resurrected it, and the House is now working on it. If it passes the House (with revisions), that revised version must then pass the Senate and then go on to voters in November. It would require a 66% majority to pass. The amendment would give the Legislature flexibility both in defining adequacy and funding it. It would allow a separate process from that prescribed in SB 539, and would allow funds to be directed to the neediest towns first.

Senator Odell said he is a cosponsor of the constitutional amendment. He pointed out that right now, New Hampshire is the only state that requires that funding adequacy (determined to be $3450 per student) begin with the very first dollar. The result of that is that they are funding some communities at unnecessarily high levels. The amendment would give the state the flexibility to fund the neediest communities first, separately from the formula described in 539. He said the constitutional amendment passed the Senate in a vote of 15 to 9. Again, it will require a 66% majority in November to pass.

Brian Prescott asked if this is really creating donor towns without calling them donor towns, since the money will have been distributed before the State gets to the wealthier towns. Bob Odell said no, the constitutional amendment has nothing to do with donor towns. It says that education in the neediest communities will be funded first from the pool of money in the education trust fund, that is, the $400 million collected from sources other than the statewide property tax. He said the statewide property tax remains neutral. Right now the constitution and the court say that the State cannot do that.

Randy Foose pointed out that the Court stood by cycle after cycle after cycle. Now they are saying that it (the court) will not intercede in the current process because the Legislature is getting it done. Bob Odell said that actually, the Court set January 1, 2007 as the deadline.

David Kidder said he was in the group that defined adequacy, and to some extent, Senate Bill 539 came out of those discussions. But, he warned, in three years, New London is going to get whacked. The State has a revenue problem, and it keeps going back to the property tax. He expressed concern that so far, the whole process has been how to maintain the status quo, and he feels there is a need for a reasonable discussion (on other revenue sources); that has yet to occur.

Asked what percentage of education the State will actually pay for, Randy Foose said less than half. Mark Kaplan pointed out that the State gives the funding to eligible (needy) towns rather than to school

districts. He said that New London is one of a seven town school district, but pays 29% of the district's costs. If SB 539 passes, and New London again becomes a donor town, it would be hit twice. He suggested that Legislators direct that "first funding" allowed by the constitutional amendment (if it passes) as referred to by Senator Odell above, to *districts* rather than to towns. He pointed out that if the State would take that "first funding" that it would direct to towns like Wilmot and Warner, and direct them instead to the Kearsarge School District, that would reduce the district's budget, and *then* New London would pay 29% of *that.*

Randy Foose agreed that that is the sort of analysis that still needs to be done, perhaps in committee this summer. He pointed out that one problem with that method would be how to deal with the very tiny school districts. He referred again to this being a four step process: (1) define adequacy (done), (2) cost it out (done), (3) determine how to fund it (to be worked on this summer), and (4) determine how to assure accountability (to be worked on this summer).

Jessie Levine posed a hypothetical based on a conversation with another school district that includes both donor and recipient towns: what if the district were to simply raise the school budget. Randy Foose said right now, schools already spend more than has been determined to be necessary for an adequate education. It has been determined that $4900 is the average cost per student for an adequate education. (Earlier in this meeting, the figure $3450 was mentioned.) In reality though, schools in New Hampshire are spending $9000 per student. He noted that "adequate" does not deal with anything over and above the definition. For example, it does not cover food service, bussing, library, extracurricular. Those things would be encompassed by an "excellent education," and the Court has only required that "adequate education" be funded.

HB 1645 Revisions to State Retirement System

The Selectmen and Town Administrator all expressed disappointment that the committee caved to labor interests on the three most fundamental changes proposed by this bill: (a) to change the retirement age, (b) to eliminate the 8% health care subsidy and reimbursement to the retirement funds, (c) to change the make up of the Board of Trustees so that it includes more investment professionals. At this meeting, they noted that the objections raised by the labor groups were not valid. For example, changing the retirement age would not necessarily create two different categories of employees. That happens all the time, with no detrimental effect. Jessie Levine said that of the 55 public retirement systems in the country, only 8 allow retirement after 20 years or at age 45, and New Hampshire is one of those. Larry Ballin pointed out that in the private sector, the benefits packages must be adjusted often; that is how businesses stay solvent. Regarding the Board's position that its current investment policy is fine, that is disputed by the numbers. A new investment policy and some expertise are needed. Senator Odell said this will come up on the floor again on Thursday. Next Monday it will go to the Finance Committee and on the 14th or 15th it will be back to the floor.

Meeting with Dick Pearson—Volunteer to Joint Board to Oversee Assessing

Dick Pearson summarized his background in law, and his "retirement' activities as president of the summer music association, on the Board for Adventures in Learning, and the Finance Committee for the Fells.

He acknowledged receipt of the written material about this position, and asked to clarify that it is primarily administrative, overseeing the assessor but not doing assessing or addressing abatement requests. Selectmen confirmed this, and Jessie Levine further clarified that the two full time employees

are the assessor who does mostly data analysis, and the deputy assessor or measurer and lister who does more field work.

Larry Ballin said the board meets four times a year. Basically it assures the equity of the time spent by the assessors in each town. In response to question from Dick Pearson, he said this Board would address questions about the way the assessor works, but not necessarily the assessments themselves. Also, the Board prepares the annual budget and reviews that periodically. After some brief further discussion, Selectmen thanked Dick Pearson for his interest and for volunteering.

Minutes

Larry Ballin moved to accept the CAC minutes of April 26. Brian Prescott seconded. No further discussion. Motion unanimously approved.

Brian Prescott moved to accept the Board of Selectmen minutes of April 28. Larry Ballin seconded. No further discussion. Motion unanimously approved.

Fundraising Permits

Jessie Levine reported on some problems with this process. One of the few restrictions that New London's ordinance places on fundraisers is that they not be held in parking spaces during business hours. Yet they are seeing more and more of this happening, and have referred at least two organizations to the Planning Board to request a waiver. In a recent request from a group to hold a car wash in Huberts' parking lot on Saturday, they were able to negotiate with the medical center to allow them to hold it in the parking lot of the medical offices instead. She said she has asked the Planning Board to take a look at this regulation. Larry Ballin said the Board will come up with a regulation, but he expressed concern that the process be streamlined rather than made more complicated and restrictive.

Meeting with Karen Hoglund—Volunteer for Joint Board to Oversee Assessing

Karen Hoglund said she has volunteered for the CAC over the past three years, with the idea of eventually volunteering for other boards in Town. She noted that membership on this board would go hand in hand with her career in real estate, and, having read the material sent to her, she sees a similarity between this position and her position as a Fire Ward. She noted that it looks as though this three-town arrangement will continue. Jessie Levine confirmed that at the last meeting of the joint board, members agreed to renew the inter-municipal agreement for another three years. After some further brief discussion, Selectmen thanked Karen Hoglund for her interest and willingness to volunteer.

Board of Selectmen-Visioning Session

Jessie Levine said that the Board of Selectmen held such a visioning session some years ago at which time she provided a list of proposed long and short range projects. She suggested that the Selectmen think about scheduling another to establish some priorities among projects and to provide some guidance. As it is, she pointed out, such priorities and guidelines come up by happenstance as, for example, with the gravel road paving policy established this year. She said this could be done as a regular meeting, a retreat with a facilitator or without one. Larry Ballin suggested she forward that list to the current Selectmen so that they can see where they stand on those.

He said that a visioning session would be a good idea, and recommended letting people know when it is planned. Jessie Levine said two sessions could be scheduled: one for the visioning, and the other for public input. Larry Ballin said he thought for now, it would just be enough to let people know that it is happening.

Bob Lavoie asked how this would relate to the Master Plan. Larry Ballin said the Master Plan is more of a broad overview of where the Town should be in ten years. The visioning session that is being discussed here will deal more specifically with projects, and how they will be managed. Jessie Levine said there may be some overlapping of the two—in Elkins for example. But she agreed that in general, the visioning session she is proposing here would be more project oriented than program oriented.

Selectmen agreed that they would like to take a look at that previous list, and think about this.

Master Plan

Larry Ballin said that at next week's Planning Board meeting, the Board will continue to craft the community survey. He added that due to the Board's heavy work load, it will consider starting its meetings at 7 rather than 7:30. Jessie Levine said she forwarded some sample community surveys to Karen Ebel, and Larry Ballin said he would also like to see those.

Jessie Levine said Ken McWilliams has sent memos to department heads asking them to update their respective sections of the Master Plan, with a turn around time of two weeks. She said she spoke to Ken about the fact that two weeks is not nearly enough, and more importantly about the need for departments to interact with Selectmen before doing this. At this meeting, Selectmen agreed that the Departments should not be bogged down with visioning for ten years down the road, but should be allowed to concentrate on their day to day work. It is the Selectmen's job to determine where departments should be in ten years. Jessie Levine suggested this could be rolled into the visioning session. Bob Lavoie suggested that there be some interaction on this between Department heads and Selectmen.

New Hampshire Shoreland Protection Act

Peter Stanley joined the Selectmen's meeting to discuss the State's Comprehensive Shoreland Protection Act. Amendments to the law took effect on April 1 of this year, and require a state permit for any work being done within 250 feet of a shoreline. Peter Stanley noted that New London has already incorporated these requirements into its own ordinance, and in fact is stricter than the State. Mark Kaplan asked if that is just lakes or brooks and streams too. Peter Stanley said it applies to lakes and fourth order streams.

He went on to say that due to understaffing and other problems, the State has not begun to issue the permits, but has extended that deadline to July 1. He has taken a pro active approach in getting in touch with people he knows are planning waterfront projects to advise them of this window, and to give those people opportunity to get vested in their projects by putting in foundations or pouring concrete within that window. Again, he reminded everyone that New London's regulations are more restrictive than the State's so there will be no detrimental impact to the shorelines by this delay. Jessie Levine pointed out that people cannot get some zoning approvals or building permits without the state permits first. Peter Stanley said, but they can get "vested" in their projects. He added that Senate Bill 352 offers some relief to very small lots Selectmen agreed that he should continue as he has been, following New London's normal procedure.

Signatures

Selectmen signed the following items:

Applications for Building Permits:

- Frances Kallgren, 252 Hall Farm Road (Map & Lot 076-058-000) increase in screen porch size from 14'x12' to 14' x 15 Amendment Permit #08-027 Approved.
- Court Cross, LSVNA building, 107 Newport Road (Map & Lot 072-039-000) remove 2 bays of 5 bay garage reason: snow damage Permit #08-045 Approved.
- Bradley & Beth Swanson, 9 Aspen Lane (Map & Lot 074-041-000) new deck & patio in back of house Permit # 08-046 Approved.

Warrant Yield Tax Levy in the amount of $1709.17 for the following properties:

- RH Webb Forest Preserve, (Map & Lot 006-006-000) in the amount of $190.74.
- Kidder – Cleveland Family Trusts, (Map & Lot 101-009-000) in the amount of $1518.43.

Application for Veterans Tax Abatement:

- James F. O'Hayer, 101 Hilltop Place (Map & Lot 144-001-101) veterans abatement – Approved.

Other:

- Information memo from Norman Bernaiche in regards to denied tax exempt properties.
- Applications for highway safety grants from David Seastrand.
- Disbursement & payroll voucher week of 5/2/08 Approved.
- Appointment card for Emma R.Crane, Conservation Commission, term expires 2011, Approved.
- Application for Veteran Tax Credit for James O'Hayer,

The meeting adjourned at 9:30a.m.

Respectfully submitted,

Sarah A. Denz
Recording Secretary