



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES March 8, 2010

PRESENT:

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

ALSO PRESENT:

Jim Wheeler, New London resident & Budget Committee member
Peter Bianchi, New London resident
Kathy Bianchi, New London resident & Budget Committee member
Norm Bernaiche, Assessor
Chad Denning, Recreation Director

Chair Ballin called the MEETING TO ORDER at 8:00 AM.

Meeting Minutes: The minutes from the Board of Selectmen Meeting on March 1, 2010 had not yet been reviewed, and approval was postponed until next week.

New Business

Credit Card Policy: Ms. Levine said that a Credit Card Use Policy had been developed to ensure that users of Town credit cards understand their responsibilities and proper use of the credit cards. Ms. Levine said it had been drafted a while back, but that she had never brought it to the Board of Selectmen for adoption. The auditors, who are here this week, have asked that the Policy be formally adopted. The policy dictates who can have access to the credit cards, how they can be used, and how they're checked out of the office. This is a recommend fiscal control policy. Ms. Helm asked why the policy says, "the individual may be held responsible" as opposed to "the individual will be held responsible?" Ms. Levine said if the card were stolen they may not hold the employee responsible. She also said the employees are responsible for immediately notifying the office in the event a card is lost or stolen.

Ms. Helm went over the names of the businesses the town has cards for: two cards from Lake Sunapee Bank, one from Staples, and one from Sam's Club. She wanted to know if there were also cards for Home Depot, Lowe's and Hannaford's. Ms. Levine said they had cards for those businesses as well. Chair Ballin thought it looked fine. Chair Ballin made a motion to accept the policy. The motion was approved unanimously.

Barry Morrissey's Email: Ms. Levine said that this item was on the agenda following the e-mail exchange with Barry Morrissey. The email asked for the disclosure of the compensation packages of the three highest paid town employees, which Ms. Levine provided to him by e-mail, and Mr. Morrissey felt that the Town should publicly release the information. Ms. Levine had responded that the information was part of the budget process and had been posted on the website for some time. Chair Ballin said that they did not have to make a decision to release that information because it is already public. Chair Ballin told Ms. Levine she should thank Mr. Morrissey for his interest, and tell him that this information was

already in a public domain. Ms. Helm said that the Selectmen try very hard to be transparent. She said that they have many open meetings, and loyal attendees who come prepared. She was offended by someone who never attended any of the public meetings and only used email to communicate. Going forward she would like to encourage residents to come and be part of the process when they have issues like this. She said, “This is what democracy is all about.” Mr. Kaplan said that Ms. Levine had invited Mr. Morrissey and encouraged him to be part of the process, but he did not wish to be part of the process.

Ms. Helm said that this town (more than any town she has ever been a part of) has a wealth of very dedicated volunteers who do show up at meetings to articulate how they feel. She said she believed that good dialogue existed in this town as well as civil and mutual respect for the way different people feel about an issue. She said it took the town administrator an inordinate amount of time to communicate with Mr. Morrissey at this busy time of year. She said he had chosen not to attend the meetings.

Chair Ballin said that Mr. Morrissey had shown up to a Budget Meeting last year, and he had shown up at Town Meetings in the past. He said that free speech was a part of why they were here, so Mr. Morrissey should have the ability to communicate his way.

Northeast Shakespeare Ensemble: Ms. Levine said that the Northeast Shakespeare Ensemble has reserved Whipple Hall for about six weeks in April and early May to rehearse for Othello, which will be performed at Colby-Sawyer College in May. Ms. Levine said she suggested to John Goodlin that NESE should consider renting the court office space during that period of time. She said he told her that they would be interested in using the clerk’s office for that period of time for the managing director. Ms. Levine told him she would present it to the Board of Selectmen, as there were no tenants lined up to move in, but she asked for input as to much rent to charge. The Northeast Shakespeare Ensemble is a nonprofit organization. Ms. Levine said the last time she looked into the cost of rental space in town it was \$10 per square foot. She said she told them that phone/internet service was not available for that part of the building, so they would have to pay the costs involved in getting that back up. She said there was, however, heat and electricity. Chair Ballin guessed the space was about 15x30, so at the most they were talking \$350-400/month. Mr. Kaplan asked about the exact length of the lease. Ms. Levine said approximately April 1-May 8 (about six weeks). Ms. Levine asked the Board to authorize her to negotiate a lease. Chair Ballin said it sounds like the consensus of the Board is to give her permission to negotiate.

Old/Pending Business

Warrant Article Review: Ms. Levine said she had given everyone a binder with the budget, the warrant articles, and a draft agenda.

Regarding Article 4 (Operations), Ms. Levine said she just wanted to make sure the record reflects what she talked to Mr. Kaplan about mid week and to Ms. Helm about later in the week, and they no longer planned to amend the article for the employee wage increase. Chair Ballin made a motion not to amend Article 4. The motion was approved unanimously 3-0.

Regarding Article 10 (contribution to capital reserves), Ms. Levine said that David Cook had prepared a motion to amend it. Ms. Levine passed out the document David Cook had e-mailed over the weekend. Chair Ballin said that Mr. Kaplan should say his piece before any amendments from the floor would be proposed. After that the amendment would get voted on first, and then the Article. Ms. Levine said she would send David Cook’s document to Cotton to make sure she approves the way it has been amended.

Jim Wheeler said that when Article 10 is presented there might be a question from the floor about the Capital Improvements Program (CIP). He said there might be some confusion as to the statement made in the Town Report that \$200,000 had to be put in next year. He said he didn’t think it was clear that what

was taken out does not have to be reinstated in its entirety. He said the Selectmen and Budget Committee were all in agreement about this, but it may look like there is disagreement. Ms. Levine replied that there is disagreement because Mr. Wheeler has suggested that no harm was done by delaying contributions to the capital reserve funds, when in fact there was. She said the 2006 cruiser incurred almost \$5000 in repairs in the last year, and it would likely happen to the 2007 cruiser as well. The ladder truck had just gone out for a \$5000 repair following \$10,000 in repairs in 2009. Ms. Levine said, in the short-run, it did not look like they were harmed because they saved the money and put it into capital reserves, but every time they made a decision to postpone replacing equipment they had to pay to keep it operating. Jim Wheeler said that nothing had been postponed with the exception of the police cruiser. Ms. Levine said that last year the fire truck was pushed out a year. Jim said that \$435,000 had been taken out in two years, and that the full amount did not have to be put back in.

Chair Ballin said that they've gone down as far as they can and cannot use the capital reserves as the method for reducing taxes anymore. He said it was time to start replenishing. He said that there were people living on gravel roads that keep getting postponed even though they'd been promising them pavement for the past two years.

Peter Bianchi asked Ms. Levine about the handout to be distributed out at the meeting. Ms. Levine said she had a handout that will show the capital reserve funds that are being discussed this year (anything that has money going in or coming out).

Mr. Kaplan said that what David Cook's amendment would do is change what they were recommending from \$418,006 to \$622,006. Mr. Kaplan said he wanted to discuss how they were going to respond to that. Mr. Kaplan said that the amount on David Cook's memo (\$204,000) was an addition to the \$418,000 they were asking for. Mr. Kaplan said it was important that they understood what David was asking for, i.e., for the town to spend \$204,000 more than what the Budget Committee and the Board of Selectmen had recommended.

Chair Ballin agreed with Mr. Kaplan, and said he appreciated the fact that David Cook was preemptive by giving the Selectmen his amendment and arguments in advance. Chair Ballin said once something was amended from the floor, the floor needed to have the discussion and the Board should sit back. He said that if they needed to say something, they would say that they are comfortable with what the Budget Committee in conjunction with the Selectmen has recommended. Chair Ballin suggested that they let Mr. Cook propose his amendment, and let the floor make a decision. Mr. Kaplan said that in the past it has happened that someone from the floor asked the Board of Selectmen what they thought. Chair Ballin still thought it was best to stick to what they had recommended, as they had worked so hard to get to those numbers. Ms. Helm said she agreed with what Chair Ballin was saying. She also said that Cook's amendment would generate some healthy dialogue in a proper forum, and that the Board should be prepared to listen well as there would be good data to take away for the next budget process.

Mr. Bianchi felt it would be important for the Board to either recommend or not recommend the amendment. Chair Ballin said he did not want to get out ahead of the amendment. He said that it was merely a proposed amendment. He said there could be many more amendments coming in that night, and they wouldn't know what they are, and, therefore, would not be able to predetermine what their response would be. He said it was possible that Mr. Cook would change the numbers, and propose something else entirely at the Town Meeting.

Mr. Kaplan said that he liked what Ms. Helm said about saying that they would give all feedback serious consideration during the next budget process.

Mr. Wheeler said he didn't think David Cook realizes that the \$435,000 does not have to be replaced. Ms. Levine disagreed and said that he (Mr. Cook) did realize that. She said that what Mr. Cook is proposing is the difference between what the CIP Committee recommended and what the Budget Committee funded. Mr. Wheeler was concerned that Mr. Cook was not aware that what had been done was not something that needed to be reinstated. Ms. Levine said Mr. Cook was aware but disagreed with the impact.

Ms. Helm suggested that Mr. Cook might know what he was talking about and just differed from the decisions that had been made, as he had been present for most of the Budget Committee meetings. Ms. Helm said it would be a good idea to have a Budget Committee member stand up and give their opinion about the numbers Mr. Cook is proposing.

Ms. Levine said David Cook's point was that by not funding it for two years it would have to be made up and more. She said the budget impact is going to be just picking back up where we left off. She said that just picking back up what the CIP approved was \$200,000.

Mr. Wheeler said he would recommend not saying that there would have to be an increase of \$200,000 just to go back to where they were. Ms. Levine said that \$200,000 was in the budget that those campaigning for the Budget Committee called an 8% increase, so either they called it an increase or they didn't. Mr. Wheeler said there was no question that it was an increase over this year's budget, but that all of the capital equipment purchases aside from the fire truck and the police cruiser would remain on schedule. Chair Ballin said they would resume this discussion after their meeting with Norm Bernaiche.

Abatements Statistical Update: Mr. Bernaiche joined the meeting to discuss an abatement application submitted by the Cantors because of the assessment on their home. Mr. Bernaiche said that last May or June his office had asked to see this property through a real estate broker. He said they did not get a response, and emailed the broker again in August. Apparently the broker forwarded the email to the owner after that, but again there was no response. He said they adjusted the assessment based on the information they had available from the MIS listing for \$7.5 million. The property started construction in 2004 and was finished in 2005. The property had both a panoramic view and lake frontage. Mr. Bernaiche said that after comparing the data in the MIS listing to the Town's data, he changed the assessment from \$1,842,000 to \$3,163,400.

Now, based on all the data available (including the sale of a similar high-end home in Newbury) and an inspection of the property, Mr. Bernaiche is now recommending an assessment of \$2,609,000. He said this is a substantial reduction, but that the last assessment had been a substantial increase. The owners contend that they paid \$192,000 for the land in 2002, and that the land hadn't increased in value since then. Mr. Bernaiche says he disagrees. He said the owners had used an appraiser in 2003 when the reevaluation was done. At that time, there were several other cases that had been brought before the town. There was an appraiser at the time who claimed the market had been flat and remained flat. Mr. Bernaiche said in several court cases they had been able to prove that theory wrong, and that the market had increased.

Mr. Bernaiche said one of the things the owners had not recognize was that when they bought the land, it was raw land, and the expensive driveway they built to get to the height of the land (views of Pleasant Lake and the mountains beyond) was considered a substantial improvement. Together with the lake frontage, this property has the best of both worlds. It is comparable to a house that sold in Newbury, but in Mr. Bernaiche's opinion it is a better location because it is more protected from the wind and is more southerly with wonderful panoramic views. The building cost without the architect's fees was over \$2,000,000. The owners are claiming that an architect friend designed the house for them. The owners are also claiming depreciation. Mr. Bernaiche said that the house was only four years old, and that there was very little depreciation. Based on his evaluation, he thinks the \$2,600,000 is okay. The owners disagree

and claim it is worth \$2,014,000. Mr. Bernaiche said he suspected that the case would move forward to another level and that much of the evidence the owners had provided is not hard and fast evidence.

Mr. Kaplan wanted to know the average sale price per acre. Mr. Bernaiche said that it varied a lot, but that one was \$10,000 per acre which would be \$1,400,000 for 140 acres (on Brown's Hill) for the land only. Mr. Bernaiche said the sale was only 40 acres so there was a diminishing return. He explained that if one buys 100 acres there will be a price per acre, and if one buys 200 acres it will be less per acre. In addition, he said most of the land was in current use on this property.

Chair Ballin asked how much of the land was in current use. Mr. Bernaiche said most of it was. He said it didn't have a lot of road frontage, and so the driveway goes up and all the land is in back on the mountain side. He said some of it was under conservation easement. Mr. Bernaiche said that these one-site, estate-type sites have a lot of privacy. He said the one on Brown's Hill sold for \$400,000. This property is on the market for \$7,500,000.

Chair Ballin told Mr. Bernaiche that he had all the data he needed to justify his numbers, and that he should stick to his guns even if it meant legal proceedings. Mr. Bernaiche said he suspects the owners would be getting a new appraiser, and that there would be more to come. He said if the new appraisal was defensible and reasonable, and he (the town) defended their own appraisal to the end, the judge would probably decide on something in the middle.

Mr. Kaplan moved to approve the abatement recommendation to \$2,609,000, seconded by Ms. Helm. The abatement was approved 3-0.

Ms. Levine asked Mr. Bernaiche if he wanted to talk about the statistical update. Mr. Bernaiche said that he had met with the Department of Revenue Administration (DRA) last Thursday, and talked about all of the things that have to be done in the update, e.g., fundamental changes between vacant land and approved land, boathouses, etc. He said they would move forward with their update after the building permit pickup season. He also talked about how the "fewer sales" would make the analysis more challenging.

Mr. Kaplan asked if the sales had been above or below assessment. Mr. Bernaiche said some of them were above and some below. He said that they were at 96 % of the median assessment-to-sales ratio. He said this means overall not much would change, but that there would be segments that go up or down, e.g., Hilltop, Fenwood, etc.

The Board of Selectmen thanked Mr. Bernaiche for coming to today's meeting.

Warrant Article Review (continued): The Board resumed the Warrant Article review.

Regarding Article 12, Ms. Levine said the project was \$144,000 and not \$75,000. She said that because the Selectmen and the Trustees were agents to expend, she and Bob Bowers had discussed whether or not to bother amending the article on the floor, or to just wait and see what the grant was and have the Selectmen and Trustees spend the remainder when it became available in funds. She said there was a possibility they would hear about the grant tomorrow.

Mr. Wheeler asked the Board if they were going to say anything when Article 18 was presented. Ms. Levine said that the Board would not be making a presentation, but had agreed to respond to any direct questions from the floor. Mr. Kaplan asked Ms. Levine whether paper ballots would be used if Article 18 came to a vote. Ms. Levine said that the Conservation Commission was preparing to ask for one.

Chair Ballin closed the discussion on the Warrant Article review.

Elkins Grant: Ms. Levine said she had sent an email on Friday in response to the Department of Transportation's letter asking for more information on the Town's application for grant funding for Elkins improvements. She told the Board that New London's Elkins Grant application is third in the state, and that this meant the chances of funding are even higher. Regarding the building, Ms. Levine said that they had asked for \$100,000 towards the purchase, but clearly indicated that they were not planning to use the entire building, i.e., that either they were going to remove it or only use a portion of it and use the rest for other things. She said she'd received feedback from Federal Highway through DOT indicating that they would prorate the \$100,000 to the percentage of the building that was used. In other words, if the Town planned to use only 25% of the building, then they would receive only \$25,000 in grant funds. Ms. Levine said it would be in their best interest before the grant presentation to write a letter to the state to remove the building from the grant application. She said she was making this recommendation given the questions that have come up, but also due to the fact that she and Peter Stanley had met with some very interested buyers of the property and that there may be private investment. She said the Town would much rather have the property developed privately than publicly.

Mr. Kaplan asked if that would lower the amount the town requested. Ms. Levine said that it would lower it, but that the DOT had also asked her to add a 3% inflationary rate to the construction estimate. She said that she had done that for a two year period as they would not be building for two years if everything gets approved. She said the net reduction was about \$40,000.

Ms. Levine said would like to give the DOT an answer this week, and not wait until the grant presentation on Monday. She said she had spoken to Nate Miller of the Regional Planning Commission, and he thought the change made sense. Chair Ballin said that even the potential of a private investment in Elkins was a great thing especially of that magnitude. He said that it would clean up the whole corner, and would make the proposed improvements even more attractive to everyone. The Board of Selectmen authorized Ms. Levine to amend the grant to remove the building purchase.

Woodcrest Van Lease: Recreation Director Chad Denning joined the meeting.

Ms. Levine referred a memo from her and Chad as well as an attachment showing examples of vehicle use in other towns. The memo addressed to the Selectmen is requesting them to approve the lease of a 2000 Dodge Ram van from Woodcrest for \$300 per month using the Recreation Revolving Fund and not on the town budget. The vehicle would be used for the summer camp program and continue through the fall and winter season.

Ms. Levine said that the immediate need is for summer camp. She said the use of school buses resulted in higher costs. Last year, the Town leased the hospital van for \$250 per month for six months. She said the cost of the Woodcrest van was a bit more expensive, but that the van was in much better condition as well as equipped with handicap lifts. Woodcrest is purchasing a new van, which makes this van available.

Ms. Levine said that they would like the agreement to be open-ended. In other words, they would like to use the vehicle through the winter, and then reevaluate the situation based on the information they would have with regard to upkeep costs, costs related to the offering of more programs, etc. Ms. Levine feels this is a great opportunity to get a vehicle at a low cost.

Chad Denning said there were a lot of winter activities that were not being offered right now because they do not have a vehicle at their disposal. Ms. Levine said that the revenue from the programs would offset the costs of the lease itself.

Mr. Kaplan said he liked the idea, and that it would take time to figure out whether or not this was a good idea. He said that the costs involved were expenditures regardless of where the money came from. He said he wanted to make sure they were getting the most bang for the buck.

Chair Ballin said this could generate revenue for the revolving fund. Ms. Helm was worried about unexpected maintenance fees, and asked if the van was in good enough condition. Ms. Levine said that it has been carefully maintained and has only 26,000 miles on it. Mr. Denning said that the use of the hospital vehicle worked out great, but that there were a lot of miles on that vehicle. Jim wanted to know where the van would be stored. Chad said they would probably store it with the fleet in public works.

Mr. Kaplan moved to approve the lease of the Woodcrest van. The motion was seconded by Ms. Helm, and it was unanimously approved 3-0.

Fiber Project Update: Ms. Levine referred to a letter and background information regarding the application for federal stimulus funding for broadband. She said this was the same information that would be sent to all the towns in the Upper Valley Lake Sunapee Region as well as the Southwest Region of New Hampshire. WCNH.net (the broadband consortium of eight towns including Orford, Lyme, Hanover, Enfield, Springfield, New London, Sunapee, and Newbury) has been working closely with the City of Keene, the Southwest Region Planning Commission (on behalf of towns in the Monadnock region), and the NH Community Development Finance Authority (CDFFA) in a partnership called “New Hampshire FastRoads.” The application for federal stimulus (ARRA) funds for broadband expansion is a joint project involving all of these groups. Additionally, the Southwest RPC is leading the New Hampshire Broadband Mapping and Planning Program, which was funded by a previous successful ARRA grant.

Ms. Levine said an informational forum will take place on Monday, March 15 at 2:00 PM in Enfield. She said she would be preparing a letter of support from the Town of New London, and would be approaching various public and private institutions for support as well.

Mr. Kaplan asked if there would be a representative from Keene at the meeting. Ms. Levine said most likely it would be the IT Director had been very active on the project. Ms. Levine said the Mayor of Keene had been very outspoken in favor of the project.

Ms. Levine said the only statewide grant that New Hampshire got from the last round of federal stimulus money was for the New Hampshire Broadband Mapping Program to develop a map showing where broadband exists, which is being led by Michael Blair of the Southwest Region Planning Commission. Ms. Levine said Southwest RPC was having some difficulties because private companies were not sharing their information. She said the forum on the 15th would include an update on that.

Ms. Helm said she would attend the forum, and also that she enjoyed the “Fastroads” article. Chair Ballin said that he would be out of town, and wouldn’t be attending. Chair Ballin suggested to Ms. Levine that she contact Jim Cox at Proctor Academy. Ms. Levine said that the first towns to be implemented would be on the Southwest and West Central and over time would be rolled out into the other towns. She said if they did end up partnering with UNH and Dartmouth then they will be seeking support from all of the towns statewide.

Mr. Wheeler wanted to know at what point the communities would become involved financially. Ms. Levine said the model didn’t cost the communities anything unless they wanted to contribute to speed up the build out process.

Committee Meetings and Reports

Chair Ballin said no meetings had taken place.

Ms. Helm asked for a quick recap of the Citizen's Advisory Committee meeting on March 6. Chair Ballin said the meeting started off with a discussion about write-in candidates for the school board, and particularly about Gary Markoff. There was some discussion about write-in candidates for moderator, but nothing really came out of it. Chair Ballin also said they discussed what was going to be on the Warrant again in a few instances. He said it was a good, well-attended meeting.

Upcoming Meetings

Chair Ballin said the Town Elections were tomorrow, and the Town Meeting was on Wednesday.

Application for Building Permits:

- Kevin Gay, 964 County Road (Map & Lot 093-015-000) permit to build 3 car garage attached to house – Permit #10-015 – Approved.

Application for use of Whipple Memorial Town Hall

- US Census Bureau, training sessions – 3/24-26, 2010 8:30 AM – 5:00 PM – approved.

Abatement Recommendation:

- Clara & Patricia Cantor, 425 Lakeshore Drive (Map & Lot 037-008) 2009 assessment be reduced from \$3,163,400 to \$2,609,000 a reduction of \$554,400. – Approved.

Other:

- Disbursement voucher week of March 8, 2010 - Approved
- Veteran's applications – Approved

There being no further business, the Meeting adjourned at 9:40 AM.

Respectfully submitted,

Judith Guyer-Almstadt
Recording Secretary