



TOWN OF
NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • WWW.NL-NH.COM

**BOARD OF SELECTMEN
MEETING MINUTES
December 12, 2011**

PRESENT:

Mark Kaplan, Chair, Board of Selectmen
Tina Helm, Selectman
Peter Bianchi, Selectman
Kimberly Hallquist, Town Administrator

ALSO PRESENT:

Dave Seastrand, Police Chief
Amy Rankins, Land Use Coordinator
Wendy Johnson, Finance Officer
Sandra Licks, Library Director
Ed Anderson, Sergeant
Linda Jackman, Administrative Assistant
Linda Hardy, Town Clerk/Tax Collector
Joan Pankhurst, Deputy Town Clerk
Doug MacMichael, New London Resident
Merri Armentrout, Reporter from the Intertown Record
Bruce Hudson, New London Resident

Chair Kaplan called the meeting to order at 6:00pm.

Approval of Minutes of December 5, 2011

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to approve the minutes of December 5, 2011, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

The amendments were:

Specify that the Cemetery Trustees do not get a bill, not just the "Cemetery."

Ms. Helm suggested that the words "glass half-full" instead of "half-empty" be in quotes.

Ms. Helm clarified that she said Mr. Bianchi had made some good points on other issues, but that she did not feel this way regarding the issue at hand.

Approval of Non-Public Minutes of November 28, 2011

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to approve the non-public minutes of the November 28th, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

Sewer Loan Announcement

Chair Kaplan said that they had received a letter from Daniel Fenno from DES notifying the Town that the Governor and Council approved the original loan agreement for the wastewater treatment upgrade. The total amount of the loan approved is \$5,461,000 of which 25%, \$1,365,250, will be subsidized through loan forgiveness. He thought it was a great step forward towards repairing and refurbishing the wastewater treatment plant in Sunapee. They expect to move forward.

Town Administrator Report

Ambulance Study Committee – Ms. Hallquist said that the committee had a conference call last week and it was noted that MRI expected to have a two to three page executive summary ready within a week. Along with the executive summary, MRI will prepare a draft agreement between the hospital and the towns that may be used going forward, if the ambulance is to stay within the hospital. During the first two weeks of January the committee will meet again in person to discuss the executive summary and draft agreement. It wasn't determined as yet whether or not there would be one master agreement between the hospital and the towns, or if each town would have their own agreement. It was noted that the hospital had gone out to bid for the ambulance service and had responses from three vendors. Details were not available. Chair Kaplan said that until they see those numbers, they won't know what the future of the service will be. Ms. Helm felt that because MRI was taking so long to get an answer back to the hospital and the towns, they chose to find some additional options in parallel, in order to get the best option possible.

Repair of the boat launch in Elkins – Ms. Hallquist informed the Board that she is looking into what it will take to get a permit from the State to deal with the sandbar issue at the Elkins boat launch. Sand has collected as a result of people power-loading their boats onto the trailers – the boat engines kicks up the sand and it piles up, making it difficult to get some boats out of the water. She noted that she will see if the State would help with this repair financially. She had some research to do. Ms. Helm wondered if there was a way to discourage people from doing the things they had been doing which created the problem. It was determined that there was nothing that could be done.

Employee Holiday Party – Ms. Hallquist noted that the employee holiday luncheon party was very nice and that Amy Rankins and Linda Jackman did an excellent job of planning it at the Four Corners Restaurant. The party was paid through a grant from the LGC.

Smell in the building – Ms. Hallquist said that they think they have the problem addressed and taken care of.

Committee Reports – Ms. Helm announced that the following night would be the Planning Board's first public hearing for the Master Plan at 7pm.

Upcoming Meetings – Ms. Hallquist noted that the next Board of Selectmen's meeting would be held on December 19th at 6pm.

Employee Insurance Contributions

Chair Kaplan said that they needed to determine the employee contribution to the health insurance policies. Ms. Hallquist noted that the Board has already selected the plans that will be offered to the employees – the HMO now has a deductible of \$1,000 (for the single employee plan) and \$3,000 (for a two-person or family plan). Last year the deductible was \$250.00 for a single employee plan and \$750.00 for the two-person or family plan. She estimated that this change has resulted in a savings to the town of about \$49,844.00. The question they have to answer is what, if anything, the town will pay towards the deductible. The second question was what percentage they would require the employees to pay for their health insurance premiums. Last year the employees paid 2% for a single employee plan and 5% for a two-person or family plan. If they decide to double the percentage paid by the employees for the single and two-person and family plans (making it 4% and 10%), that would bring in further revenue to the town.

Ms. Hallquist summarized that if the town pays nothing towards the deductible, the town's savings in the area of employee insurance costs would be \$49,844.00. The board reviewed information concerning

various options and the associated costs to the town. Ms. Hallquist noted that the materials they were reviewing used figures representing the maximum number of deductibles, as worst case scenarios. If the Board does decide to pay all or part of the deductibles, they would not have to appropriate 100% of the deductible as it was extremely unlikely that every employee and their family members would need the deductible. She felt 50% of the maximum exposure would be sufficient.

Ms. Johnson noted that last year there was supposed to be \$16,250.00 set aside in the budget for deductibles. Instead, \$13,750.00 was actually included in the budget of which only \$2,100 has been expended so far, with a few weeks left in the year to submit reimbursement requests.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to not pay for any deductibles for next year.

Ms. Helm said that they had decided the town would help with the deductibles for one year, which would end in December. She explained that she has heard informally from several people that it isn't an unusual offer for employers to help with the deductibles a little bit. She felt that this new plan was quite a jump and was comfortable going with option #2 making \$1,000 available for each policy holder. Ms. Helm commented that if it is drawn to their attention that this assistance was being abused, they would need to re-think their decision for subsequent years. She felt that there were some people for whom that big jump in the deductible would be major. Chair Kaplan agreed with Ms. Helm. He said this would be a solution for one year. Depending on their experience they can increase the amount they will pay. Ms. Helm agreed that they should reexamine this decision in another year.

Mr. Hudson asked about the survey Ms. Helm took to find this information about employers assisting with deductibles. Ms. Helm said it is her understanding that there is a consensus among employers who offer insurance that they offer some "emergency aid" to help employees get through this difficult time. Mr. Hudson believed the opposite to be true, and that employers were making employees pay for insurance increases, as it was not a sustainable practice for the employers to keep doing so.

A vote was called on the motion on the floor: **THE MOTION WAS NOT APPROVED.** Kaplan – no, Helm – no, Bianchi – yes

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to approve option #2 which would allow for \$20,000 to be part of the budget to pay for emergency help with deductibles for up to \$1,000 per plan.

Mr. Bianchi said it seemed like doing this will favor the individual policies. Ms. Hallquist said that was true as by making this change, single policy holders, because they only have one deductible, were guaranteed to not have to spend anything on deductibles under this proposal. He thought that if they made contribution increases on a percentage of the deductible, everyone would have the same exposure.

Ms. Hardy asked if the spouse of an employee would also qualify for the deductible. Ms. Hallquist said they would; it is \$1,000.00 per plan and can be applied to one or more family members, up to \$1,000. A two-person's maximum exposure would be \$1,000.00 and a single employee plan would have zero exposure. Families would have a maximum exposure of \$2,000.00 (\$3,000 maximum in deductibles of which the town will pay \$1,000).

A vote was called: **THE MOTION WAS APPROVED.** Kaplan – yes, Helm – yes, Bianchi – no.

Mr. Bianchi noted that the employees pay 25% of the premium of their dental insurance. The town pays the remaining 75%.

Mr. Bianchi thought that they should be increasing the employee's contribution to their healthcare plan. A single employee pays 2%; a two-person/family plan pays 5%. He believed that the school district requires everyone to pay 15%. He wondered why it was less for a single person versus a two-person or family plan. Chair Kaplan didn't know why it was this way. Ms. Helm thought it had to do with the fact that families have the potential to utilize the insurance more often. Ms. Hardy said at one point, the single plan was free for everyone and the employees with the two-person or family plan paid a percentage of the cost. Then, the Board of Selectmen evolved to think that everyone should be paying something. The 2% came about because it wasn't painful but made people aware that it was a benefit they were getting and they shared in the cost of it. For a two-person and family they went up to 5%. Ms. Hardy thought this had started about 10 years ago. Mr. Bianchi felt this is an unrealistically low contribution in the marketplace today.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to change the employee contributions to a straight 10% for all policies.

Ms. Helm said that for a two person policy, that would double the employee's contribution. Chair Kaplan explained that a single employee plan would go up five times as much as they had been paying.

Mr. Bianchi said that a single plan requires payment of only \$146/year, which was \$12.21/month. He thought they should have an across the board, fair percentage paid by employees of 10%.

Chair Kaplan said he was more inclined to go from 2% and 5% to 4% and 10%. Ms. Helm agreed with Chair Kaplan. Chair Kaplan said the employee with a family is going to wind up needing more medical attention than does a single person so he felt it appropriate to have different percentages between the plans.

Ms. Jackman said when they adopted the new insurance plan, it affects her such that it increases specialist visits co-pays from \$20 to a co-pay of \$40. She noted that her husband is a diabetic and has to see a specialist about four times per year. Increasing their employee contribution from 5% to 10% only increases their out-of-pocket expenses. It all adds up.

Mr. Hudson said that this was the trend that companies and towns are going to; more contributions are being required by the policy holders. The increases in costs are picked up by the employees across the board. Mr. Bianchi agreed and felt it wasn't realistic for employees to pay only 2% or 5% for medical services.

Ms. Helm felt it was too drastic a jump to go from 2% to 10% but would be willing to go to 4% and 10%. Mr. Bianchi said that he felt strongly that this was not a realistic or sustainable expectation for someone to get a \$1,000/month healthcare policy for just 5% of the total cost. Chair Kaplan said that by changing to the LGC program, the town is still picking up \$29,844.00. Because of this, they can afford to make this smaller jump.

Ms. Helm said that going forward she felt that Mr. Bianchi and Mr. Hudson were right. Those who are on fixed incomes have to pay more and more for their benefits. She was a believer in being somewhat sensitive in the jumps they were taking. Last year deductibles were addressed for the first time, and they were increasing deductibles this year. Doubling the contributions this year was acceptable to her. Chair Kaplan agreed.

A vote was taken: **THE MOTION WAS NOT APPROVED.** Bianchi – Yes, Kaplan – no, Helm – no.

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) that the employee contribution be 4% for a single plan and 10% for a 2-person and family plan for the calendar year (2012) and be revisited after one year. THE MOTION WAS APPROVED UNANIMOUSLY.

Mr. Bianchi said that their fiscal year goes from July 1 to June 30. They are set with the employees' healthcare for this year and the first six months of 2013. But they will not have any money to pay for the policy beyond that until they renegotiate next December for another policy. They will be six months behind. Mr. Bianchi said that had LGC comes in with two or three more plans and each was 10-15% higher than what they have now, they'll have to scramble to come up with the money for January 1. Somehow they need to set aside some money to take into account a possible increase. He thought they should give some thought to making this a new line item, or adding it to the Board of Selectmen's discretionary account to pay for this unforeseen cost. Chair Kaplan agreed with Mr. Bianchi.

Ms. Jackman asked if this increase would affect those employees who choose the buy-out from the insurance policies. Ms. Johnson said that those people will get less money for the buy-out.

Police Department – Chief Dave Seastrand

Chair Kaplan said that for fiscal year 2013 Chief Seastrand was asking for \$92,060. Chief Seastrand said that he would actually be reduced a bit further and he asked to go line by line in his budget to note the changes.

Uniforms Cleaning Services: In 2011/2012 it was \$400.00. For the 18 month budget it was \$600.00. He reduced the amount to \$250.00.

Accreditation: This was reduced from \$150.00 to \$50.00.

PD Cruisers: Last year the line was \$3,000.00 and he reduced it to \$2,000.00. This was the new and old car line item and covers maintenance agreements and the insurance deductible. There was \$1,000 moved from the newer SUV to the older one, as the older vehicle costs more to maintain. Chief Seastrand commented that until they get the new car, the newest and oldest vehicles will be on the same line item.

Other professional Services: In 2011/2012 (July to June), they had \$4,500.00 budgeted. Chief Seastrand said he was asking for \$9,000.00. This is to cover attorney services through Merrimack County. Half of this is billed at once but when they went to the 18-month budget they split up the payments. The amount hasn't changed but it appears higher in this budget. Chief Seastrand said he has assurances from the attorney that those amounts will not be increasing. He explained that the attorney represents them in Superior court, juvenile hearings, DMV, etc. They have used the same amount of time with attorney for last few years. More time used within the year than in past years will not create an increase in cost.

Firearms Repair & Replacement: Chief Seastrand said that two of their officers have been certified in repairing firearms. They are comfortable reducing the line item from \$400.00 to \$100.00.

Equipment Lease & Rental: Chief Seastrand said that this will increase a bit from \$1,000.00 to \$1,200.00. Their costs this year have come to approximately \$1,100. He specified that this account was for the two photo copiers and a couple typewriters that are leased.

Conference & Trainings: Chief Seastrand said this has been reduced from \$3,500.00 to \$3,000.00.

Dues & Subscriptions: Chief Seastrand said that this has gone from \$500.00 to \$1,000.00. A couple of subscriptions have been cancelled and some have been added. Even so, they should be able to come in just under \$1,000.

General Equipment: Chief Seastrand said that there was \$3,000.00 in this fund in the 18 month budget. This is where he took the \$700.00 out for the towing that had to be done following a burglary on October 31, 2011. He said that this account was his catch-all. It covers things like flashlights and other equipment as needed and provides him with some latitude for unforeseen things that may come up.

Office Supplies: This is currently at \$3,000.00. Sometimes they are a bit over and sometimes they are a bit under. They are trying to do more electronically.

Gasoline: This stayed the same. Prices have leveled off and they have been using more bike and foot patrols, allowing them to use less fuel.

New Employee Account: Chief Seastrand said this was a non-lapsing account in the amount of \$3,000 and was used to help defray costs for new employee (officer) expenses. The \$44 requested will bring the account back up to \$3,000.

Chair Kaplan said that when compared to 2010 the Police Department's costs were down 10% over the past two years and he felt it was commendable. Chief Seastrand said that this was due to a lot of hard work in the department to keep the costs down. Ms. Helm wondered if they could do something town-wide to get better pricing with computer/office/copier supplies. Since they are doing so much electronically, maybe they could do with fewer copiers. It seemed to her that there was a lot of duplication going on. She felt that they could revisit and look at some of these things. Chief Seastrand agreed and noted that this would help with the purchasing of computers, as one department can purchase them at one rate and other departments get other rates. He thought that maybe there were some cost savings available by buying in bulk.

Mr. Bianchi said he appreciated what Chief Seastrand has done to cut down his budget. In 2009, their budget was \$83,000, and in 2010 it was \$79,000. The 2011 budget was a bit different because it was an 18-month budget. In 2012 they are coming in at about \$92,000.00. He realized that things go up in price but questioned the size of the increase. Chief Seastrand said he was really trying to keep the costs down and asks the staff to do the same.

Dispatch

Travel & Meals: Chief Seastrand said that this had been at \$500.00 and is now going to \$300.00. This account is used if an employee goes to training in Concord. They use their own cars so are reimbursed for mileage, meals, and overnight stays.

Conference & Training: This was \$450.00 and is going down to \$400.00. This account is used to pay for conference fees and training materials.

Uniforms: This actually went up to \$300.00. The last time they purchased uniforms they couldn't pay for everyone to get them. Only full-time employees were able to get them.

Town Administrator Budget

Travel & Meals and Conference & Training: Ms. Hallquist thought that every other year trainings would be appropriate, but not every year so she reduced both of these line items in half.

Ms. Helm wondered if they could get one line item for paper throughout the town. Ms. Jackman said that they have a paper account that serves both the Town Office and the Police Department. She said that they take advantage of sales when they come along and have been using Staples. They also get free delivery.

Audit: There would be an 18-month audit done this year, increasing the cost from \$22,000 to 27,000 (which was an estimate).

Telephone: \$6,363.00 was what was used in the last year. They would budget for \$6,500.00 next year. This account covers the phones in the buildings and two cell phones.

Computer Licensing Fees: This account includes the computer software licensing agreements for the assessing software, budgets, tax maps and web hosting.

GIS: They have spent \$6,900.00 this year so have increased their budget to \$7,000.00.

Equipment Leasing/Maintenance: This covers their lease & maintenance programs for their copier, postage machine/typewriters. Ms. Hardy felt they could get rid of the typewriter maintenance.

Dues/Subscriptions: This covers the New Hampshire Municipal Association Dues of \$5050.00 (LGC), magazines, and other memberships.

Advertising: This includes advertising for the town except for the Budget Committee, Town Clerk/Tax Collector and the Zoning Board of Appeals.

Computer Supplies: This includes the maintenance for computers, application updates, and miscellaneous equipment. Ms. Johnson said they would rename this line item to "Computer Supplies/Support/."

Maintenance Buildings: This covers the cleaning of Whipple Hall, the Town Office and the Police. Currently the buildings are cleaned five days/week and they spend \$2,000/month on this service. Ms. Hallquist wondered if they wanted to reduce the cleaning to three times per week. They could go out to bid to see if the service can be done cheaper. Ms. Jackman noted that the service they have now was a big savings over the one they had before.

Mr. Hudson said he came through town at 11:30pm and saw that every light in the building was on. He didn't think that was necessary. It was thought that it was the cleaning service putting on all of the lights.

Ms. Helm said if there was significant savings, they should think about cutting back on the frequency of the cleanings.

Fuel: Ms. Johnson said that they will be using Irving for all the buildings. They used the same gallons from the last heating season and compared to what they had paid, propane went up 28% and oil went up 23%.

Sewer: The bill for this was \$2,000.00 in 2010 and includes all the buildings. She would need to look at it closer for 2012/2013.

Town Hall Maintenance & Repair: Ms. Hallquist noted that Chief Seastrand had indicated previously that some of the slate shingles come off the roof from time to time. They may want to think about that. There had also been talk of needing drapes for Whipple Hall by Bud Dick at a CAC meeting this summer. They felt that \$6,000.00 was conservative.

Fire Station: This included maintenance and repairs. \$3,600.00 was requested to replace some windows. They would ask Chief Lyon about this when he comes in to discuss his budget.

Bucklin Beach Maintenance & Repair: Ms. Johnson believed that this was for pumping the sewer during the summer.

Pleasant Lake Dam Maintenance & Repair: Ms. Hallquist suggested adding this line item in case there is a repair needed, as happened last summer. She suggested \$3,000.00.

Mr. Bianchi said that it appeared that the Administrative budget had gone up by 10%. He opined that cuts will be painful as budgets are all up and are not near the 1% requested increase.

Ms. Hallquist suggested that there some ways to save money in the budget if the Board wanted to make some changes, for example keeping the buildings cooler in the winter and using less heating fuel. Ms. Helm thought Ms. Hallquist was on the right track cutting out training and conferences and thought they should cut down on the cleaning. She thought the buildings were much too hot and thought that could be decreased.

Ms. Jackman thought they should start charging for the use of Whipple Hall. Currently the Board routinely waives the rental fee. She also suggested charging for the use of the Syd Crook room. AIL does not pay instructors, and they charge per person to participate.

Ms. Rankins said that other towns charge \$1 for copies of tax cards. In New London, they charge just \$.25. Ms. Hardy said that her office doesn't even charge for copies.

Mr. Bianchi felt this was nickel and diming people and didn't feel they could balance a \$4 million dollar budget on charging more for copies. Ms. Hallquist said she didn't feel that they could get by on a 1% budget increase if things like fuel are going up 10%. While items like travel and conferences and cell phones that are not critical can be cut, things like heat, electricity, and computer support can't be cut. Mr. Bianchi didn't think that taking 2% from a budget would hurt the town and he didn't think the budgets were so bare boned that they couldn't make it work. Ms. Hallquist said that they always seem to have about 2% surplus, but they can't guess where the surplus would come from and it was up to them how close they want to get with the budgets. Chair Kaplan said they would get in trouble if they keep cutting.

Mr. Bianchi said if they don't have the money to spend on something, they shouldn't spend it. To be fiscally responsible, they have to cut in places if they go up in others. Ms. Hallquist agreed but if they want to go line by line, it is impossible to guess where the cuts should go unless specific policy changes are made, like keeping the town offices at a lower temperature or cutting the number of days the buildings get cleaned.

Ms. Hardy said her budget was a small part of the entire budget but that she wanted a chance to talk with the Board of Selectmen about it. She also asked about the schedule for discussing personnel needs and what the plans of action would be should someone leave. Ms. Helm said that it was her suggestion to have a proactive plan for personnel needs in the event that they would have an open position. Ms. Hardy wanted to be involved in these discussions as the budget committee would be receiving their final budget

on January 9th. Ms. Helm hoped they could make this as part of the budget process but it seemed that this personnel discussion would come after this year's budget season. She would be able to definitely come in to talk about her specific budget in one of the coming meetings.

Mr. Bianchi felt that Ms. Helm's discussion could lead to some very uncomfortable situations. He noted that is after talking with department heads, they find a department head who says they could do without a position or could go to part-time, then what? Will the Board fire the person or will they allow the department to remain over-staffed until someone leaves? Ms. Helm said that wasn't what her intentions were.

The upcoming Board of Selectmen meetings would cover the following:

December 19th, 6pm – First a Public Hearing for the West Side Drive acceptance followed by budget work on the Public Works Department and Library.

December 27th, 8am - Fire/Recreation/Town Clerk/Tax Collector.

December 29th, 8am – a meeting solely for budget discussion. They would invite anyone else who hasn't already come in, including the VNA/COA/CC/Health Officer/Planning & Zoning

Ms. Helm suggested contacting those associations interested in the milfoil fund to alert them to the fact that the town is in the midst of the budget process. They have not yet submitted any request letters for funding. Ms. Hallquist said she would take care of this and would look for the letters that had been sent in previous years to obtain specific contact information.

Cemetery Information

Regarding a previous discussion at the last meeting, Ms. Johnson shared that if the town does not open a grave they hire someone else to do it. This is paid for by the estate of the deceased. If the town opens the grave the estate of the deceased pays a fee to the town and it goes into their general fund. If someone purchases a plot, the Cemetery Trustees collect the money and it is turned over to the Trustees of the Trust funds. The interest from that fund is deposited into their general fund to offset the maintenance of the cemeteries by the town.

Application for Building Permits:

- Alan & Gail Eggert, 792 Sugarhouse Road (Map & Lot 034-009-000) close in cathedral ceiling – Permit #11-119 – Approved.
- Nancy K. Smith, 96 Gay Farm Road (Map & Lot 070-035-000) addition – new kitchen, front entry & porch – Permit #11-120 – Approved.
- AMENDMENT - Scott Brown, 515 Wilmot Center Road (Map & Lot 052-013-000) adding roof over existing deck – Permit #11-111 – Approved.
- Application for use of Sydney Crook Conference Room:
- NL Energy Committee – first Monday of each month 7:00 -9:00 PM – Approved.
- Adventures in Learning – spring classes – Approved.

Application for permanent sign permits:

- Diane Gosselin, 428 Main St. - Dressed Heads Hair & Skin Salon – Approved.
- Venita Nudd, 428 Main St. – Direct Capital Corp. – Approved.

Other items to be signed:

- Disbursement voucher.
- 3rd & 4th supplemental property tax billing – approved.

**IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting was adjourned at 9:20pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London