



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES August 22, 2011

PRESENT:

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

ALSO PRESENT:

Dave Seastrand, Police Chief
Bruce Hudson & Renate Kannler, New London Residents
Doug MacMichael, New London Resident
Kris McAllister, Assessor
Michael Cornelio, Rotary Club
Wendy Johnson, Finance Officer
Merry Armentrout, The Intertown Record
Jim Wheeler, Budget Committee Chair

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

2010 Abatement Request Application – Bruce Hudson & Renate Kannler

Mr. Hudson came before the board and thanked them for the opportunity to further discuss their 2010 abatement appeal that was denied for 64 Conifer Lane. He explained that he wanted to make sure that the decision that was handed down to them in the June timeframe was the final decision from the Board of Selectmen. He noted that he didn't think that all the information had been considered regarding the case and felt that he has proven a disproportionate assessment in comparison with the other properties like his on 64 Conifer Lane.

Mr. Hudson explained that he and his wife moved into the home in 2003. Mr. Bernaiche came twice in the 2005/2006 timeframe and after that time the assessment (in 2010) increased by 44% on the total property. The land value increased from \$77,000 to \$142,000 in just one year. He did not understand how the land value could increase that much in one year. In 2007 a field review was done without any adjustments being made. He noted that he has no problem with the assessment made on his home; however he disagreed with the assessment on the land.

Mr. Hudson noted that since the burden of proof lies with the homeowner, he understands that he must research to demonstrate that his property is disproportionately assessed as compared to others. The comparable properties surrounding the Great Pines development shows that the 2009 levels vs. the 2010 levels had the land going up by 123% in valuation. He also compared properties abutting theirs that showed an increase but not to the extent that theirs had. The land areas in these abutting properties were also much larger than his half acre. He pointed out that in Fenwood; there are two comparable land sized parcels that did increase in valuation, but certainly not by 123%. Mr. Hudson believed that he had found a disproportionate level of assessment between homes on either side of Newport Road and doesn't understand how that can be so.

Mr. Hudson went on to say that another concern he had was that he did the same analysis for two other homeowners in their neighborhood, both of whom received an approved abatement. He commented that there have been some inconsistencies in that area in the past and felt there still were some today. He believed there to be some subjectivity on how they assess the properties in that area. Mr. Hudson reiterated some comments he has heard in the past with regards to the Great Pines area including: the area "...has been under-assessed for a number of years and they've had their eye on it for a couple of years."

Mr. Hudson's approach was that he wanted to appeal to the Board of Selectmen to see if this was their best and final decision based on the Town of New London and if so, he would appreciate feedback on their reasoning. He was open to questions.

Ms. McAllister, Town Assessor, explained that the Great Pines development was built between 2003/2004. Back then, property transfers only included the land portion of the value because there were no homes built on the lots yet, so the only data they were getting was vacant land parcels. They didn't get the sales data for what the properties were selling for with homes. As time went on and when they (the current town assessors) came into the picture, one of the first sales they had gave them reason to keep an eye on the neighborhood was in 2008. The land came in at 68% assessment to the sales ratio. Ms. McAllister recalled that Mr. Hudson had said that it was a one-year timeframe when the valuation for the land went up 123%. She said that this was not entirely true. The last reassessment was in 2005. They had gone through the neighborhood doing data verification in 2007; they did not reassess but just verified the data. There was another resale in that area in 2008. There was another 68% discrepancy between the sales and assessment. Another sale came in at 59% discrepancy. This was a trend. They needed to decide if they should make increases at that time or if they should wait until the reevaluation.

Ms. McAllister noted that there was an even larger problem at Hilltop. Prior assessors had come in and not measured Hilltop at all. There were actually 69 different floor plans there. Values went through the roof in 2007/2008 and they took that project on first. They went through and re-measured everything which took a large amount of time.

In August of 2010 another sale came in at Great Pines at 64.5% discrepancy. She explains they had to take the sales from 2008 and predict what will happen in the future. The resale in 2010 proved that the area was extremely undervalued. There are three properties in that neighborhood that concur with their values. Everything they have done has helped them to move to the 90-100% discrepancy, which is where they need to be. They could not have packed the added price value to the buildings as the buildings were not worth \$200,000 more. Either they could put the value into the land or put it into an amenity value. In hindsight, she said she thinks the better course of action would have been to add an amenity line and show the value there. Instead, they put it into the land. Ms. McAllister noted that if the property owners decide to appeal to the BTLA, the bottom line they will look at is the total market value. She thought that if they look at it as a locational adjustment, it may sit better with the residents who live there. Ms. McAllister said that they realize it was a huge hit, but there was never a right time to do it. The area was under-valued and now they are where they need to be. They had to make increases in other places as well, such as the waterfront properties.

Mr. Hudson said there is no disagreement with the homes that sold there in the past. He noted that he informed Mr. Bernaiche (Assessor) that with regard to the prior sales in 2008 and 2010 that were used to come up with his values, that those buyers came in with cash. If he was the seller at the time, he would have most likely taken the cash as well. However, he felt that it isn't fair to the rest of the homeowners in the area who know what they paid for the land and the price they paid to build their homes that sits on their land. He can't rationalize that the value of the property he owns is worth so much more than the

same sized property across the road. He said it wouldn't sit well with him or the other owners if it was taken out of the land value and placed in an amenity value; it is still a huge increase.

Chair Kaplan said that it is a legitimate question and if they need to go to Board of Tax and Land Appeal (BTLA) or court to find the answer, they should.

Mr. Bianchi wondered how the other lots that sold compared to Mr. Hudson's. Mr. Hudson said that the land assessments were consistent. The building valuations have a lot of inconsistencies. Mr. Bianchi asked if he knew how much the other two taxpayers received for their abatement. Mr. Hudson said that he did not. Mr. Bianchi thought it should be consistent that Mr. Hudson would get abatement if the others did.

Ms. McAllister said that there were differences in value. There were three approvals and four denials. A value difference of \$32,300 was found on one property, \$14,000 on another, and \$31,900 on another. The reason these discrepancies were found was because after the neighborhood got very upset with the assessors, the assessors sent letters to the property owners in that area inviting them to have their interiors viewed individually. Only three people called to have them come to verify the data. As a result of those inspections, it was determined that in some cases there was incorrect data such as assessing for finished basements when they were not. She noted that one taxpayer filed for abatement and the private appraisal submitted in support of her application was actually \$100,000 more than the town had it assessed at.

Ms. McAllister said that when extracting the building values out of sales, there is a remaining value. That remaining value is then attributed to the land. She said that Mr. Hudson was comparing Conifer and Fenwood which was like comparing apples to oranges. Those sales were \$200,000 less than Great Pines. The land may be similar in size but the desirability is different. Mr. Bianchi said that both Great Pines and Fenwood were private subdivisions and asked Mr. Hudson if Great Pines was considered a neighborhood in itself? Ms. McAllister said that it was. She said that 4-5 sales in that timeframe gave them really good data. Mr. Bianchi asked Mr. Hudson what he would ask for abatement. Mr. Hudson said around \$90,000 - \$100,000 reduction in valuation he would agree with. The total value of his property would then be \$400,000 - \$420,000.

Chair Kaplan said that there was data showing that the sales are in the \$400,000 - \$500,000 range. If the value isn't in the house, it has to be in the land and the BLTA looks at the total value. He noted that the property owners may file with the BTLA who will resolve the issue.

Ms. Kannler said there was one house in their neighborhood which was on the market for almost two years and didn't sell, and the owner took it off the market. Another house is currently for sale at a lower price than they purchased it at. She said that if communication had been better between the assessors and the homeowners, it would have helped them understand things. Getting a new reevaluation and seeing a 123% increase on their lot is confusing. If it had been clarified a bit better, it may have been easier to understand.

Ms. Helm thought that if Mr. Hudson went to the next step, it may provide some data for the Board of Selectmen and the assessors going forward as well. She said she has total confidence in the process their assessors use and agreed with Chair Kaplan's sentiments that the Board of Selectmen are not trained assessors and thus they depend on the expertise of the assessors the town employs.

Mr. Bianchi wondered what the long-term effect would be of getting a reversal at the BLTA. He wondered if it would force the Town to adjust the other lots in Great Pines. Ms. McAllister said that it would. Mr. Bianchi said that if they dropped the rate on their own, they would they also be leaving

themselves open to dropping the rest of the properties in that area. Chair Kaplan said if the BLTA or courts give a final resolution to this, it would be helpful for their assessors and the Town.

6-Month Budget Results – Wendy Johnson, Finance Officer

Chair Kaplan said that Ms. Johnson was there to explain the budget results for the last six months. The good news is that their revenues are higher than expected and the expenses against the budget were lower than expected. There is no way that can happen without good people doing their jobs. He applauded all the department heads and the staff for doing a good job. Ms. Helm seconded his applaud.

Ms. Johnson explained that she reviewed both the revenue side and appropriations side and compared estimates to the actuals. If anything stood out she researched it and found out the explanations.

Revenue:

- Yield Tax – The estimate was \$1,000 but they collected \$6,500 from the doomsage on Seamans Road.
- Business Licenses – Building permit fees were way down.
- Motor Vehicle Fees – Down about \$9,000.
- Other licenses, permits and fees – The second payment has arrived from the Cable Franchise Fee, which is not reflected in the materials.
- Income from departments – Transfer Station Recycling has collected \$20,000 by selling paper.
- Sale of municipal property – The Police Department and Fire Department sold vehicles. The sales of these vehicles netted \$3,100.
- Interest on investments – The Elkins Post Office rent is down because the estimate was wrong. They had made an error in the budget.
- Cell Tower Rent Collection – The Town collected \$1500. Mr. Wheeler asked if the tower was going forward. He didn't know they were receiving any money as of yet. Chair Kaplan said they still have to go through the Planning Board but that they were receiving money for the rental of the space.
- Court fines – These have increased. Parking fines are also up as of June and it was believed that this was due to the enforcement of the new parking/beach policy.
- Insurance reimbursement – This is for the library reimbursing them for insurance. Also, insurance money came in from the freeze-up problem they had at the Town Hall last winter.

Mr. Bianchi asked about the trend for the next 12 months. Ms. Johnson said that the MS-4 (revisions of their budget estimate) is due on September 1st. They plan to revise the estimates in the building permit fees and the motor vehicle categories to reflect the trend of lower than expected revenues.

Ms. Johnson said that expenditures were very close on everything. She went through a few details:

- Personnel Administration/Employee benefits – The insurance deductible was budgeted for \$250 for each person. Only 4 people have asked for it. Mr. Wheeler said that \$10,000 was the worst-case scenario and they didn't expect to spend it all.
- General government buildings - Heating fuel was up. There was a contract in place but the Town went over on the gallons budgeted. The Town Hall maintenance was \$16,000. They received \$12,000 back from the insurance company from water damage. The Fire Station spent \$3,200 for a water heater that was replaced. These expenses were unexpected and not budgeted.

Mr. Bianchi wondered if they erred and did not budget enough for maintenance and repair as several buildings in town went over their budgets. He wondered if that would be a trend going forward. He also asked why the fire department was over-expended in their full-time wages when they lost a full-time position and it was not replaced for a while. Ms. Hallquist suggested that it was possible that this was due to payment of unused vacation time paid to the employee who left. She would double-check with Chief Lyon. Chair Kaplan said that the part-time wages were lower than normal and they seemed to come out about the same.

- Street lighting – this was more than budgeted because there was an improvement going on which didn't happen as soon as they expected. There may be a savings going forward, but not for the six month time-frame.

Mr. Bianchi said that the police department spent \$8,000 instead of \$1,000 for the six month budget for their part time wages. Ms. Johnson said that they missed a zero in the budget and it was supposed to be \$10,000. They added the extra amount to the next 12 months. Chief Seastrand noted that he pointed out this error when he found it, and was assured that it was fine, that the error resulted when the 6 month and 12 month spilt was made. Mr. Bianchi said that the 6 month and 12 month budgets are separate and now they have to come up with an extra \$8,000. Ms. Hallquist agreed but noted that since the bottom line of the budget was not over-spent, they were OK.

Mr. Wheeler asked about the paving line item. Ms. Johnson said that the paving will happen and the funds are encumbered. Ms. Hallquist noted that the encumbered amounts should appear on the budget reports to make the true actual expenses clearer.

Mr. Bianchi asked about Capital Outlay regarding the Fire Utility Truck. It was determined that was their new SUV. He thought they were getting a utility truck, not an SUV.

Chair Kaplan wondered about the breathing apparatus line item. There was \$22,000 in the budget for it but no money was spent. Chief Seastrand thought they got a grant for the apparatus.

After some discussion, it was determined that quarterly reports (and more often during the budget preparation process) would be given to the Board of Selectmen so that they can monitor the budget closely, given that it is expected that state budget cuts (retirement system cuts particularly) will have an impact on the town budget. Any money they are ahead at this point in the budget will go into surplus and may be used to reduce the tax rate when it is set in October by the State.

Mike Cornelio from the Rotary – Rubber Duck Fundraiser

Mr. Cornelio said that the Rotary would like the fire department to send about 1,750 gallons of water down Gould Road floating about 300 rubber ducks along with it, no longer than 100 yards. People will “buy” ducks and the owner of the duck that makes the 100 yards first would be the winner. It would be a fundraiser for their organization. They would also like to use the town common to sell hamburgers and hot dogs. They would be happy to provide buffers, such as hay bales or wooden planks, to protect sensitive areas. He noted that Chief Lyon said that when they have had to empty the tanker in the past, the water finds its way to a storm drain very quickly, with no damage to the road or abutting properties. They have done this rubber duck race in the past at Elkins but there is no room for parking and not much room for selling hamburgers and hot dogs, so they would like to move it to Gould Road and the Town Common. Mr. Bianchi said that if it does any damage to someone's lawn, it could be a problem. Mr. Cornelio said that he would talk to Chief Lyon but was told that it would be as much water as a big storm. He said they would be able to go around to the half-dozen or so homeowners to alert them of the plan.

Ms. Helm asked if an officer would need to be placed at the end of the road. Chief Seastrand said that the on-duty officer could handle this and that they would have a car there so traffic wouldn't come up the road. Chair Kaplan said he would like to have the Police Chief, Fire Chief and Mr. Lee (Public Works Director) sign off on the plan before giving his approval.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to approve the rubber duck race pending approval of Chief Lyon, Chief Seastrand and Richard Lee, Public Works Director. THE MOTION WAS APPROVED UNANIMOUSLY.

Approval of Minutes of August 8, 2011

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to approve the minutes of August 8, 2011, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

The one amendment requested by Mr. Bianchi was to specify that the application for the grant was being discussed on the bottom of page four.

Approval of Minutes of August 6, 2011, CAC Meeting

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to approve the CAC minutes from August 6, 2011, as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

Schedule for Budget Planning – Jim Wheeler

Mr. Wheeler provided a calendar of dates. He explained that the May 8th Town Meeting pushes everything forward. He discussed various deadline dates the Board and Budget Committee would have to be aware of when moving the budget process forward.

Chair Kaplan requested that the February 6th meeting be changed to February 13th so that he could attend. Mr. Wheeler said that was fine with him. He would like to have the Board of Selectmen's budget done by January 23rd if possible so that the Budget Committee can begin its work in a timely manner.

Mr. Wheeler said that as they are aware, the Capital Improvements Program (CIP) is a process of the Planning Board, not the Budget Committee or the Board of Selectmen. The Budget Committee has the final say on the approval of the budget that will be presented to the voters, however. The Town authorized in 1985 to have the Planning Board prepares a CIP. In recent history, the Town Administrator has taken the job and controlled the whole thing. Mr. Wheeler said that he emailed Tom Cottrill, Planning Board Chair, and asked what he wanted to do with respect to the committee that is formed to assist in the process. Mr. Cottrill responded that he would run the CIP and would like two members of the Budget Committee on the CIP committee and that it will be a Planning Board function completely, and he also indicated that the Planning Board would not want participation from Ms. Hallquist except for support. It is up to Mr. Cottrill on the schedule but has indicated that he plans to start the process in mid-September, talk to the department heads and come up with the CIP.

Ms. Helm said that they discussed the CIP process at the last Planning Board meeting and said that they were perfectly happy to have Ms. Hallquist sit in on the meetings. She would have Mr. Cottrill call her to confirm this. Mr. Wheeler and Mr. John Wilson would represent the Budget Committee and they will come to the meetings. Ms. Helm said that the Planning Board is moving along with the Master Plan and will have some public hearings in October. The CIP is supposed to come from the Master Plan which has not happened before. Ms. Helm thought the Board of Selectmen should start in November, setting priorities for the Department Heads so they would know what their budgets would look like.

Mr. Wheeler suggested writing a memo to Tom Cottrill as to when they would like their CIP done. The next Planning Board meeting is planned for September 13th.

State DOT Came to New London – Speed Limit Sign on Newport Road

Ms. Hallquist spoke with Bill Lambert, State DOT, regarding the Town's request for an additional 30 mph speed limit sign on Newport Road, before Spruce Lane. Mr. Lambert noted that he would go to the area and see what was required, and possibly it could be resolved by moving an existing sign. Ms. Hallquist noted that the Board would prefer an additional sign. Mr. Lambert wondered if the Town had done a speed study. She told him she would get back to him about this after speaking with the Board of Selectmen and the Police Chief.

Mowing of Crockett's Corner

Ms. Hallquist contacted the State DOT and was told that the State has no money to do mow this area so she inquired whether the DOT would object to volunteers mowing the area. Jay Burbee, State DOT, said it is not uncommon for volunteers to mow state right-of-way areas and they don't have a problem with it but stressed that the liability is on whoever is doing the mowing. Ms. Helm said she would like to talk to Richard Lee about this. It is a gateway to the town and it looks bad. She realized it would be a major decision to say that they would take over that work. It is possible that if they start doing this work, the State will never do it again. Mr. Bianchi wasn't in favor of having the Town do it at all. Ms. Helm thought they should have a discussion about it.

Chief Seastrand thought the Police Department could do it as a public service project. They could do it a couple times each year and he added that there were people on the force who have the equipment. Chief Seastrand said he could come back with a plan. Ms. Helm said they need to have pride in their town and the State isn't doing it anyway, so why not do it.

New Business

Chief Seastrand explained that Sugar River Savings Bank (SRSB) has a damaged canopy over their drive-through lanes. Numerous vehicles do not understand the roundabout and think it is a short-cut to go around SRSB to go to Jake's market. Some are delivery vehicles. An RV recently sliced open the top of their RV and created enough damage to the canopy so it was deemed unsafe. The bank owners do not want to remove the canopy; they like it and they have approval to have it. Chief Seastrand suggested that steps should be taken to avoid these types of accidents in the future, such as by installing metal warning bars before the canopy to warn taller vehicles that they won't fit under it.

Ms. Helm said she walked around SRSB and looked at the area in question. She found it a twofold issue:

1. what will the bank will do with the canopy? She thought that the camper's or bank's insurance would help with repairing it.
2. Two parking lots do flow together. She wasn't sure whether the bank and Jakes could work together to create a barrier there. Chief Seastrand said that with plowing in the winter it gets tighter and tighter there.

Chief Seastrand added that before the roundabout went in, people were using the exit of the drive-up to get into Jakes. He noted that the Keene roundabout has a large green directional sign directing motorists to different businesses, so that people get off the roundabout at the proper time, avoiding the turn-around that are happening now in the SRSB parking lot. It was decided that DOT should be reached to discuss this possible sign at the roundabout. The Board of Selectmen all agreed that SRSB should be allowed to re-build their canopy.

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to authorize Ms. Hallquist to sign and approve a building permit from SRSB, should one arise, to fix their canopy. THE MOTION WAS APPROVED UNANIMOUSLY.

Budget Committee – CAC Meeting

Mr. Wheeler said that he has heard from some people who are on the CAC that they'd like to have a report from the Budget Committee. He felt their appearance at the CAC could satisfy requests to know who they are and what they are working on. It would also be a good opportunity to get feedback from the members of the CAC. Mr. Bianchi said he didn't think people realized that the public was welcome at Budget Committee meetings. He tries to stress this to people and he thought this CAC appearance may shed light on this fact so more people would attend budget meetings.

Ms. Helm was concerned about the Budget Committee coming in when the Board of Selectmen would be coming up with their budget just prior to the meeting. It was brought up that it could be a joint presentation. Ms. Helm thought the Board of Selectmen should have a shot at the budget first as that was the process. She wondered if having the Budget Committee come in later in the season would be better. It was noted that if the Budget Committee could keep their presentation more generic in nature, that would be best. They should not discuss specifics.

BOS Upcoming Meetings – revised

Ms. Hallquist said that the meeting weeks they chose at a previous meeting were not the weeks when the vouchers were done. They would need to revise their meeting schedule. After consideration, the following dates were chosen. Meeting times will be at 6pm unless otherwise noted.

Sept. 6th (Tuesday after Labor Day)

Sept. 19th

Oct. 3rd

Oct. 17th

Oct. 31st – 9am

Nov. 14th

Nov. 28th

Dec. 5th

Dec. 12th

Dec. 19th

Old Business

Ms. Helm reported that at the Planning Board meeting on August 9th they approved the Mylar for the Ewing subdivision on Balsam Acres. They also approved a tree-cutting request. There was discussion about the Natural Woodland Buffer Zones in the Wallula subdivision. Lastly, they reviewed the Implementation Chapter of the Master Plan.

Other

Chair Kaplan wondered if they could have the Town's Tree Warden go look at property where people want to take trees out in an effort to find out what the plan is and make sure that the logger does a good job. He was referring to problems such as how the trees were taken on Seamans Road. Mr. Wheeler felt that this was going beyond the duties of a tree warden. Chief Seastrand suggested using the Forest Rangers for this type of thing. Mr. Wheeler thought they could have a clear-cut ordinance in the zoning ordinance that specified the parameters for cutting as the only way the town could address this type of issue. It was determined that the tree warden could certainly go look at the property as an ambassador of the Town, but would have no authority.

Ms. Helm wanted to applaud how Mr. Lee, the Department of Public Works crew, Chief Seastrand and his officers for how well they handled the hazardous waste day on Saturday, August 20th. She felt that it was a big success with people moving in and out in an orderly fashion.

Ms. Helm also shared concern about seeing various vehicles in town, including a scooter parked in front of the town office, with “For Sale” signs on them. She wondered if there was any way to control this from happening. Chief Seastrand said that if it was on Town land, they could be told they couldn’t do it. He recalled years ago that there was an issue with someone not being happy with an employee of the Town. He put his commercial vehicle in front of the Town Offices with some wording on it. There was nothing they could do as they were legally there and they can put a sign on their personal vehicle. Ms. Helm didn’t think it looked very nice.

Application for Building Permit:

- Mark Grubbs, 715 Route 103A (Map & Lot 103-002-000) 2nd floor room addition & stairway to basement – Permit #11-080 – Approved.
- Anthony & Carolyn Nickas, 305 Forest Acres (Map & Lot 118-016-000) dig out driveway, add catch basin – Permit #11-081 – Approved.
- Arthur & Jane Boland, 1519 Little Sunapee Road (Map & Lot 030-005-000) raise roof to add egress to bedroom – Permit # 11-082 **DENIED – referred to ZBA**

Application for use of Town Common:

- New London Rotary Club, Ducky Run fundraiser, using common & Gould Road – October 8, 2011 – Approved, pending approval of department heads as discussed earlier.

Application for use of Whipple Memorial Town Hall:

- Center for the Arts, small art show, November 1 & 2, 2011 noon – 7PM – Approved.

Other items to be signed:

- Disbursement voucher for week of 8/19/2011.

Mr. Bianchi moved to adjourn the Meeting at 8:40 PM and Mr. Kaplan seconded the motion. All were in favor, the meeting adjourned at 8:40 PM.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London