

Citizens Advisory Committee Meeting
October 15, 2011
7:30am

Meeting Attendees:

Mark Kaplan (Chair), Peter Bianchi (Selectman), Tina Helm (Selectman), Kim Hallquist (Town Administrator), Jack Harrod, Renate Kannler, Bruce Hudson, Sue Little, Beth Swanson, Peter Hogle, Donn Klingler, Phyllis Piotrow, Teri Bingham, Will Kidder, Rich Anderson, Terri LeBlanc, Jim Wheeler, Wendy Johnson, Bill Helm, Jerry Coogan, Kathy Bianchi, John Wilson, Celeste Cook, Dave Payne, Vahan Sarkisian, Bob MacMichael, Bill Green, Maureen Prohl, Rob Prohl, Wendy Johnson, Rick Anderson, Ann Loeffler, Paul Bidwell, Linda Hardy, Gary Markoff, Ann Bedard, Doug Homan, Chief Jay Lyon, Jack Sheehan (arr. 7:48)

Chair Kaplan called the **MEETING TO ORDER** at 7:30 AM and noted that some people from the Budget Committee were there to talk about the budget process. He also noted that Bob and DJ Lavoie had sent a letter indicating their resignation, as they were moving to San Diego, CA. He read from their letter and the meeting attendees applauded in thanks for the Lavoie's contributions to the Town.

Chair Kaplan first wanted to address the letters that had been posted in the Kearsarge Shopper in the past few months by Dr. Singer. Chair Kaplan explained that he has been asked about these letters as the language was strong, so he felt it appropriate to mention it here. He noted that a number of years ago he went to see Mr. Singer at his home regarding his taxation and assessment complaints but was not able to gain any ground with him. After taking the Town to court, Dr. Singer lost the lawsuit. Apparently, Dr. Singer feels that this is still not over. Chair Kaplan wanted to let the CAC know what he knew about the subject.

Chair Kaplan said that the Budget Committee requested that they be allowed to address the CAC to enable them to listen to what CAC members had to say about budgetary things, projects that are going on, or other issues they wanted to inform the Budget Committee about. Any advice offered would be listened to and the Budget Committee will take it into account. Chair Kaplan said that the procedure they follow at budget time begins with the Town Administrator meeting with the Department Heads to find out what their needs are and what they think they can cut. The Town Administrator collates that information and comes up with a total budget which is given to the Board of Selectmen who makes further adjustments and gives it to the Budget Committee. The public is invited to all of the meetings, Selectmen and Budget Committee, that follow to express their opinions. Then the budget is presented at Town Meeting for approval by the voters. The Town is the final decider. Chair Kaplan gave Jim Wheeler the floor to further explain the process and what they hoped to get from that day's meeting.

Mr. Wheeler, Budget Committee Chair, said that the Budget Committee was interested in getting some feedback from people and thought it a good opportunity to come in and meet with the CAC. He indicated that they are just beginning the budget season and thought it was a good time to get some input. The Budget Committee hoped to receive the budget from the Board of Selectmen in January. The following Monday night the Board of Selectmen would be issuing their guidance to the Department Heads for their budgets. This is preparation for fiscal year 2013, as the 2012 budget is already done. Mr. Wheeler reminded those at the meeting that Town Meeting would be held in May of 2012.

Mr. Markoff said that they spent a lot of time talking about the 2012 budget and the fiscal year change-over and wanted to know how the town was doing thus far. Mr. Wheeler diverted the question to the Board of Selectmen. Mr. Bianchi said that they first prepared a six month budget, which ended at the end of June. They didn't over-expend during these first six months. He indicated that Finance Officer, Wendy

Johnson has spreadsheets available with all the expenditures if anyone was interested in seeing the details. Mr. Bianchi indicated that they keep a running spreadsheet for each month to track the expenses.

Chair Kaplan said that most people are very happy with the quarterly payments. Ms. Piotrow asked if they could give a rough idea of what was over/under expended in the budget to date. Mr. Wheeler said that it isn't that cut and dry; some payments are bulk payments over the year which can skew the numbers on a monthly basis. Ms. Prohl asked how the school payments fit in with their taxes. Mr. Markoff said that a few towns (not including New London) were behind on payments but that they have caught up. The school district will be returning between 2% and 2.9% through the tax flows, which is the amount they aim for. In dollars, it will be about \$842,000.00. Mr. Markoff indicated that the school district is in the process of constructing their budget presently, which is one reason that the Town changed over to the June-July fiscal year.

Mr. Bianchi said he had received a letter from the County explaining that their assessment had gone up 4.7%. He noted that the County and the school's taxes are not part of the town's tax rate; and that they'd prefer not to discuss these portions of the taxes at this meeting, as they have no control over them. Mr. Bianchi said that they really want the input from the CAC members about the Town budget.

Mr. Prohl asked about the revenue expected for the year. He wondered how that plays into the whole process. Mr. Wheeler said that the Board of Selectmen and the Budget Committee work on seeing the town budget in a two step fashion: Revenue & Appropriations - Revenue is local that the town collects, such as motor vehicle registration fees, timber tax, current use tax, and sewer fees. There is also the State Revenue which has been fluctuating and going down year after year. He found, after attending a workshop, that this would remain the status quo this year. This revenue comes from the Room & Meals tax and the Highway Block Grant. In the past, the State has always contributed to the cost of police and fire retirement costs, and has awarded grants for energy use, sidewalks, etc. What is changing next year is that the State's funding for the retirement system is going away. Room & Meals and the Highway Block Grant don't look like they will change for this year or next.

It was noted that the Grand List affects the tax rate. They had originally thought that New London had gone down \$1.8 million this year on the grand list; however Ms. Hallquist had some reassuring news. She noted that the Department of Revenue submitted an appraisal of PSNH that would actually bring New London to a little over \$200,000 where they were last year.

Chair Kaplan noted that the tax rate for the town's portion has gone down over the last three years. They were at \$4.42, then \$4.24, and last year it got down to \$3.99.

Mr. Sarkisian said they started off by mentioning Dr. Singer. He didn't think Dr. Singer's words were strong enough as in his opinion; there is disproportionate funding for tax rates in the town and thought it was a statewide problem. Mr. Sarkisian said that there is a larger burden on lake properties and their rates go up almost double and he felt it was insane. He opined that a lot of people just can't afford to live on the lake any more. He wanted to mention it and didn't feel that Dr. Singer was too far off the beat. Chair Kaplan said that the assessments are based on the actual sales. The sales figures that are used are 12-18 months behind the present time. Mr. Sarkisian said he understood that and thought this was a problem as well.

Mr. Sarkisian had a comment about the library. When he heard about the last flood, he went and walked around the building. He is in the construction business and wanted to take a look at what was going on. He saw two catch-basins in the rear yard below the level of the floor. He also looked at the pipes. He wasn't sure why the pipes weren't working, as water runs downhill. He wondered who in the town was

supposed to look at the buildings to see what is working and what was not. Mr. Sarkisian offered that the library is costing hundreds of thousands of dollars to maintain and update. He read that they are taking remedial steps for the library in case there is another flood, but are not fixing the problem. Chair Kaplan said that the trustees take care of the building. Over prior years, the trustees hire a contractor or architect and try to get things done in a professional manner. If that doesn't happen, the Board of Selectmen steps in. Mr. Bianchi said they do not have one individual in town that is in charge of all of their buildings. This last episode brought the issue to the forefront. Their last Board of Selectmen's meeting included a discussion of the possibility of having someone who can advise the Selectmen, Library Trustees, and the Recreation Department of what they should be doing to maintain the buildings and make sure they run properly. They are trying to work out a program to get someone. It could be a retired engineer or contractor to evaluate each building. That would take the pressure off the local boards. He felt strongly that they couldn't expect the library trustees to do all of the oversight for the latest upgrades to the library. Mr. Bianchi clarified that this year they will talk about getting this problem resolved so it won't happen again. They also recognize this concern and want a program to know what they need for each building and when.

Chair Kaplan said that there were two phases of a program to get a handle on the needs of each building. The first phase is to have someone address the issues in each building. The second phase is to have someone make small necessary repairs and to maintain the buildings. Mr. Bianchi said he doesn't want to blame volunteers for problems that arise, but would rather pay someone and be able to hold them accountable for things.

Mr. Sarkisian said that from where he comes from, if someone has a sump pump in their house, they are responsible for making sure it works. He thought it is awful that the town is spending so much money on the library and that the problems that should have been fixed a long time ago haven't been fixed.

Chair Kaplan asked for any philosophical direction from the CAC on the budget. Ms. Little said that the CAC in the past has talked about having a building inspector at the town. The idea was turned down by the town but she thought it was needed. Ms. Helm asked if hiring an inspector was something they all would like to try and put into the budget. Mr. Sarkisian said that the town already has a zoning inspector who is full-time and gets benefits, etc. He found nothing wrong with giving this person the responsibility to check buildings. He felt that Peter Stanley, Town Planner & Zoning Administrator, was very capable of doing this. Mr. Bianchi said that he wasn't in favor of having an inspector because last year they had only two new buildings and there wouldn't be enough work for someone to necessitate the position. Ms. Little said she didn't intend for it to be a town employee, but thought that having the building inspected could be a requirement for all new buildings. Mr. Sarkisian said that there is a state code that builders are supposed to follow to make sure buildings are built correctly.

Mr. Payne offered that the most important thing in this process is to have a civil dialogue between the Board of Selectmen and the Budget Committee. The temptation for every budget is to cut a certain percent. However, unless they have a good dialog between the administration, the Department Heads, and the Budget Committee, the process won't be successful. They need to get into the specific issues and get a thorough understanding about what they need to do. It is often-times easy to pull down reserves and make the tax rate go down, but it can come back to hurt them later on. Mr. Bianchi said the Board of Selectmen produce a budget, and then it becomes the Budget Committee's budget. The more people who attend the meetings and participate, the better the budget will be.

Mr. Wheeler said that within the Budget Committee they have three subcommittees consisting of three people each. These subcommittees are charged to talk to a couple specific departments to get an idea of what their needs will be. In this way they have the direct interaction that is so important. Ms. Prohl asked

why they don't do this all together. Chair Kaplan said the Board of Selectmen and the Budget Committee are two elected committees and each of them is independent. It isn't that they can't attend each other's meetings, but they are kept separate. One Board of Selectmen member sits on the Budget Committee.

Linda Hardy noted that the Department Heads meet with the Board of Selectmen at a selectmen's meeting. The subcommittees meet with each department at their own site so the budget subcommittee members can see the site and equipment, etc.

Rich Anderson said that transparency is important, including checks and balances. His exposure of the process, having attended several hearings, was that those who attend and witness the process attain a level of confidence that the right decisions are being made. He felt that the people in town have a lot of confidence in the people in town who make the decisions. He has been involved more recently but doesn't feel the need to go to all the meetings as he has found a high degree of confidence in the process and the decisions that are being made.

Mr. Wheeler said that the Local Government Center (LGC) expresses that the Board of Selectmen and the Budget Committee are the checks and balances of each other. While they don't want to be adversarial, their job is to look out for the best interests of the town.

Ms. Loeffler said that she agreed with Mr. Payne's comment about being careful with the use of the reserves. She also indicated their continued support of the Capital Improvement Program (CIP) and worried that things may be underfunded. Mr. Wheeler said that the CIP was a program intended to put money away for large items like fire trucks. Each year the process is updated by the Planning Board. It is not for the Board of Selectmen to decide except after they receive it from the Planning Board. The Planning Board is charged with putting the new CIP together each year and it extends out 10 years. Mr. Wheeler said that John Wilson and he were asked to be on the committee as non-voting members this year to sit in and advise. They have met with all the Department Heads who have talked about their needs for the upcoming year(s). He thought it was a good process and was not underfunded in any area. Mr. Bianchi shared that as of December 31, 2009 there was \$5.2 million in the capital reserves.

Mr. Markoff talked about tax liability, not just on the local level in the town but on the school, state and county side. After finishing building his house in 2006 he started getting his tax bills. He had concerns and complaints so he got involved to better find the answers. One of the components he couldn't understand was the size of the bill they are paying to the county. They have zero control or benefit. This county payment goes towards the prison system, Medicaid and the county nursing home. He opined that New London gets nothing back for this money. He thought perhaps 1-4 people in the town go to the nursing home. This year they are expecting a 4.7% increase and he felt that that number is an increase due to the Medicaid system increases. It ties to the discussion they had with Bruce King from New London Hospital last month, as well. Mr. Markoff said that what he saw last year from the school board side, there was so much tension within the community trying to get a lower tax rate, but there was an unchecked component, which was Medicaid, which affects the hospital. The premiums not going to Medicaid are not being paid. Mr. Markoff said the problem he sees is a longer term problem that will be a feedback loop where the cost will continue to thrust higher. The State's balanced budget came from using \$100 million dollars in reserves and leaving it at \$1 million dollars in reserves for two years. The retirement system is also woefully screwed up. There is only so much they can do on the school side. He felt there was a control factor; they can go interact with the State at the State level and they don't use that to communicate. They have some input but they don't give it. He also thought as a town they have to have some philosophical discussion about having a mindset of conservation and no-growth. Or they can look and see how they can grow as a town.

Ms. Bingham asked if the Budget Committee talks with the elected representatives or the state legislature about these things. Mr. Wheeler said that the Board of Selectmen, not the Budget Committee, has talked to them. Chair Kaplan said they have had the three representatives attend CAC and Board of Selectmen's meetings. On the education funding they asked their representatives to vote in a certain way. Two of them did and one didn't. They do this, and speak up, but have no control. Ms. Bingham thought it good for them to keep speaking up. They don't always get what they want but if they give up, they never will get what they want. Chair Kaplan said that when the legislature's makeup changed, they were able to become effective in terms of not sending New London's tax dollars to cities like Manchester and Nashua. The prior legislatures wanted New London to pay \$1 million/year, of which 66% went to those two large cities. They were able to convince the legislatures that this didn't make any sense. The money should stay within their own schools. It all comes down to control, which they don't have. Ms. Bingham encouraged them all to continue the process.

Ms. Bingham said that when looking at the needs for the town, regarding a building inspector, etc., the tendency is that they need to hire someone new. She felt looking within first to see if there was anyone there who could do these things. If they do need someone new, perhaps they should look at sharing someone with another town like they have done in the past with things like the tri-town assessors.

Ms. Bingham said, regarding the ambulance service and current study, that having good care in an emergency is something the town likely wants. They want to have a high quality of service. Mr. Bianchi said that MRI, who is doing the study, was supposed to come back with a report that week to show the best options for the money. Ms. Bingham said that she had read in the paper about the possibility of going to a lower quality of service but she wanted to note that the town would likely want a higher quality. Ms. Helm said that Ms. Bingham sounded as though if the higher priced quality care was a factor in the ambulance package, that it would be something the community would be willing to pay for. Ms. Bingham agreed that this was her sentiment.

Ms. Cook said that they had a Master Plan in progress eight years ago. The Budget Committee, the Board of Selectmen, and the Planning Board are to have a forward looking vision for the community. She wondered if the Master Plan had been completed yet. Ms. Helm said that by December the finalized Master Plan would be presented to the town. Ms. Cook said that they need to keep their town on a forward looking basis and if they need to spend money on things, that is what they need to do. Mr. Prohl agreed.

Ms. Piotrow said that the cost of Medicaid is the cost of poverty and joblessness in this country. They don't control it immediately here in town. Also, with regards to the process of the Budget Committee, it is very participatory. She attends most of the meetings and feels it to be a benefit but that sometimes the checks and balances lead to a dysfunctional process. She felt that it was a very demanding process on the employees of the town. The employees have to work all day and interact with the people of the Town and then are required to attend many meetings. The employees are very competent people who are making the town work and she thought it best to be sensitive to the staff. Those people know best what needs to be done and what they need. She also thought they should be considerate of the time and effort that the employees put into the process.

Ms. Piotrow was concerned that when cuts get made across the board, it would include cuts for younger people than older people. Those over 65 vote and those under 18 can't. Additionally, the parents of younger children are usually too busy to participate in the process. The younger group doesn't get their fair share of representation. Cuts should be age-equitable and not particularly to the benefit of those who come to the meetings and vote. They should consider the needs of the younger people and the future generations coming along.

Mr. Wheeler said that this speaks to the town as many young people can't live in New London because of the cost, and lower appropriations will mean lower taxes, helping the affordability issue for young families.

Mr. MacMichael said he felt it interesting to talk about these discussions in depth. They went through the ambulance business problem 30 years ago when he was a selectman. He wondered about the Pleasant Street sidewalk. Chair Kaplan said they have gone out to bid for the curbing. Since this is a Federal grant, they are required to hold the bids open for three weeks. This three week period will take them into November, which is when the paving people shut down as it is too cold out to pave. The project will likely need to be held off until springtime.

Ms. Loeffler asked for an update on the Elkins project. Ms. Hallquist said she and Richard Lee (Public Works Director) went on October 3rd to meet with William Rose from the NHDOT. They will have a draft schedule that she and Mr. Lee will come up with. She is confident that it will all go as planned. The first step is a request for qualifications for engineers who want to work on the project. Some of the Elkins project committee members will be on board to assist in interviewing the engineers. In the spring/summer of 2013 the work will begin. Ms. Hallquist said that the timing of this work will be determined with assistance from the committee. She opined that this seems to be an easy relationship with Mr. Rose and she is encouraged by the process thus far.

Mr. Markoff said they have started school board deliberations and have started the first round. They met with the Municipal Budget Committee and the School Board at the same time, regarding all the schools and their operations. Their operating budget has been presented at -1%. That is not the whole number, but the operating budget is down. Healthcare costs are going to be up 10%. One of the problems they have on this component is they can't get providers to come into their market. He also looked at the transportation costs, which include about 4,000 miles/day throughout the district. There aren't any bus companies that can compete for the business. They can't demand the price structure they prefer. On the retirement side of the school, the State's contributions are going down but they are off-setting it in other ways so is net-neutral.

Rich Anderson agreed with Mr. Wheeler about the tax rates impeding young people from coming into town. Six years ago he and his wife were deciding between living in Concord and Hanover. Ultimately it came down to New London or Hopkinton. They checked the local libraries, as this facility, in particular, tells a great deal about the community and because of qualities like the library, they chose New London.

Rick Anderson agreed with Ms. Cook about the decisions being made now being forward thinking. He was also glad to hear that the Master Plan was almost done. Ms. Helm said that their representative from the UVRPC was working on putting the final draft together. The Planning Board would present it to the public in two meetings starting in November. The goal is to have it done by December.

Chair Kaplan asked if anyone from the public, who was present, had anything to add.

Mr. Jerry Coogan (Chair of the Recreation Commission) felt that the Town of New London was well-managed; that the employees do a good job, and thought the budget would be frugal again this year as it was last year. He thought it was nice to have the budget go down but agreed that they have to have a vision for the future and there are some services that he (and others) would like to see continued.

Mr. Markoff said if some of these ideas were brought forward based on assumptions in 2005-2008, they wouldn't have necessarily applied to 2009-2011. There are thoughts of conservation and no growth,

which he shares, but he also felt there had to be a growth component or they would be seeing higher taxes causing more cuts. Chair Kaplan said the Master Plan was a plan for the future but that there was no obligation saying that it had to be followed precisely; instead, it is more of a flexible plan.

Mr. Bianchi said if anyone wanted to know about how the town was faring this far in the budget, they are welcome to get the info from Ms. Johnson. They didn't bring that information as they didn't intend to have an in-depth budget discussion.

Ms. Cook asked if when the non-resident taxpayer meeting was held, if the attendees were pleased or complaining. Chair Kaplan said they generally get between 10-15 people and in general they are pleased. Sometimes they will make a comment about taxes going up. Ms. Helm said that their number one concern continues to be that the town transfer station is not open on Sunday.

Mr. Prohl asked if there was anything they might do with the web page to attract more young people? He thought they could attract more people if they could advertise their activities, beaches, trails, etc... Ms. Helm thought this was a great idea. Perhaps people could give testimonials about the things that liked about the town.

Rich Anderson said perhaps they should try to get some younger voices on the CAC. Many felt that this was a good idea.

The meeting adjourned at 9:04am.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London