



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## BOARD OF SELECTMEN MEETING MINUTES November 15, 2010

### **PRESENT:**

Tina Helm, Chair, Board of Selectmen  
Mark Kaplan, Selectman  
Peter Bianchi, Selectman  
Jessie Levine, Town Administrator

### **ALSO PRESENT:**

Bruce King, CEO, New London Hospital  
Tina Naimie, CFO, New London Hospital  
Terry LeBlanc, Chief Clinical Officer, New London Hospital  
Kent Wheeler, New London Hospital  
Pat Sheehan, Little Sunapee Protective Association  
June Fichter, Executive Director, Lake Sunapee Protective Association  
Terri Bingham, Messer Pond Protective Association  
Rick Anderson, President, Pleasant Lake Protective Association  
Tom Stark, Treasurer, Pleasant Lake Protective Association  
Ron Koron, Little Sunapee Protective Association  
Brad Cook, President, Little Sunapee Protective Association  
Linda Hardy, Town Clerk/Tax Collector  
Chad Denning, Recreation Director  
Celeste Cook, Budget Committee  
John Wilson, Budget Committee/Pleasant Lake Protective Association  
Larry Ballin, New London resident  
Bob & DJ Lavoie, New London residents  
Joe McCarthy, Wilmot resident/New London Dispatcher  
David Seastrand, Police Chief  
Jay Lyon, Fire Chief  
Richard Lee, Public Works Director  
Sean Carroll, Intertown Record

Chair Helm called to order at 8:00 AM.

Chair Helm stated that the goal of this morning's meeting is to wrap up the Selectmen's deliberations on the proposed budget, and she thanked the Department Heads and staff for their work. The Selectmen had asked that the budget increase by no more than 2%, and the Department Heads met that request. She commended the Board of Selectmen for bringing a budget to the Budget Committee that is marked by realism, dialogue, respect, and civility. She expressed her fervent hope that when the budget is turned over to Budget Committee, they will acknowledge the hard work that has been done collectively and cooperatively.

New London Hospital: Chair Helm welcomed Bruce King, CEO of New London Hospital, who distributed a one-page fact sheet about the Hospital. Chair Helm announced that she would recuse herself

from the discussion due to her involvement with the Hospital and her feeling that she could not be impartial. There was no objection from the other Selectmen or others present to her moderating the discussion as Chair.

Mr. King apologized for the timing of the Hospital's budget request being later than the Town's budget process due to the Hospital's fiscal year ending September 30. Mr. King stated that New London Hospital has three ambulances purchased in 1996, 2000 and 2007. The average life of an ambulance is about five years or 100,000 miles. In terms of staff, there are 12.24 FTEs, of which 61% are paramedics and 13 (39%) are intermediates. There are no "basic" EMTs on staff, which means that the ambulance is staffed with higher level of clinical training. The ambulance provides 24x7 paramedic coverage, with at least one paramedic on the ambulance over 24 hours. In addition, there is a standby crew on from Monday through Friday from 8 AM-4 PM that is available for the communities served. Notably, Mr. King said, when New London Hospital went to the second standby crew, the average call response rate went down significantly.

Mr. King said that total expenses for the fiscal year that just ended was \$897,723, which is 71% salary and wages. The actual loss to the Hospital after collection of revenues was about \$300,000. All seven towns supported them to the tune of \$221,000, which still resulted in a loss of \$93,000 as New London Hospital's portion of the ambulance loss. Mr. King said that the total number of runs as of 9/30/10 was 1403, and of the total calls, there were 1,018 "911." For New London specifically, there were 438, which is 43% of the total call volume and therefore New London is being asked to provide 43% of the town support.

Mr. King summarized the last three years of Town support and noted the significant increase requested in 2011 to \$132,637. He then spoke to the reasons behind the increased request: the number of patients without insurance increased from the 2010 budget, which was projected on the basis of 5% uncollectible and actual experience was 11% uncollectible. Mr. King said that New London Hospital's ability to collect on billings has gone down significantly. He added that also contributing to the loss is the decrease in total number of runs; the Hospital is paying the same percentage on lower number of runs, so the loss is larger. In addition, there has been a reduction in Medicaid reimbursement projected into the next year.

Mr. King said that New London Hospital knows that expenses and revenues are an issue, so they prepared three options to discuss with the Board of Selectmen: 1) the towns could agree to a year-end settlement model that reflects what was actually billed and collected and the number of runs so that we are not operating on projections that are a year old; 2) the Hospital could eliminate the day-time stand-by crew, which is a \$100,000 reduction in expense but comes with significant implications in response time, impact on mutual aid, impact on towns, etc.; and 3) the Hospital could forgo replacement of the oldest ambulance, which would mean a more aging fleet but a \$20,000 total reduction of overall expense (about \$8,000 for New London).

Mr. King said that New London Hospital has started a process with Ms. Levine and the six other towns to look at new options for how the ambulance service could work, whether it's a regional collaborative and consortium, a change in ownership, or a new financing system. He hopes that next year there will be an alternative that would put us all in a better place. Mr. King noted that New London Hospital won the Ambulance of the Year award by the State last year and they are proud of their delivery of care, but he thinks the towns should have significant input into how the Hospital runs the service. He reminded everyone that good clinical outcomes come at a cost.

Mr. Bianchi asked what happened to the third ambulance. Mr. King said there are three ambulances and two crews, and they rotate use of the ambulance so that the one that is not being used can undergo repairs.

Mr. Bianchi said that the increase to New London is substantial and he asked if the other towns would also share in the increase. Mr. King replied that the other towns are sharing in the loss using the same formula of support based on the number of runs, so some towns have not changed significantly and others have. Mr. Bianchi said that there was a big jump in town contributions from 2010 to 2011, and questioned what was forecasted beyond that. Mr. King said that the Hospital had budgeted for bad debt and free care to be at a lower level than it was, and they hope that does not continue. The Hospital took a fair amount of expense out to minimize loss, and had those actions not been taken, they would have been asking for a bigger assessment going forward. He hopes New London Hospital and the ambulance get back on track going into the fiscal year, but it is an unknown. Mr. King said the loss on the Hospital's books could be more or less than projected every year, which is why they are willing to talk about a year-end reconciliation with the towns. Mr. King said that some of the healthcare reform efforts should benefit providers, but that is a couple of years out and may change based on the recent elections.

Mr. Bianchi asked if New London Hospital would be happy to "get rid of the ambulance." Mr. King said that the engagement with the Hospital and seven towns is to look at alternative methodologies. The Hospital is in a tough position to deliver high quality services and underwrite a loss and still have the towns look at them as if there were something that could be done differently. He said that some towns that offer ambulance services do not go with the Hospital's higher level of clinical staffing, and that comes with less favorable clinical outcomes. Mr. King said that it can be argued that the work with DHMC around clinical protocols and the patient testimonies of saves in the seven towns justifies the expense. There could be a different model with less expensive staffing but that comes with clinical risks. He wants to engage in a discussion as to what alternatives there are, and by January 2012 he would like to know if all can agree on an alternative mechanism, such as alternative financing, selling to Rockingham Ambulance, or having the ambulance be taken over by the towns. He thinks there is a misunderstanding among some towns that someone could do it better.

Mr. Bianchi said that with the demographics of New London, we need an ambulance. He cannot personally speak for the quality of service, but the Selectmen should make every effort to make sure that the citizens have good ambulance service, and the next question is what it is going to cost. Mr. King said that there should be a lot more information shared, and added that Ms. Levine has looked at identifying a consultant for an independent review of options and has started looking into what other towns do and pay. The Hospital tries not to be out of bounds of what other towns pay. Mr. King said that this is a transition year and the Hospital wants to be in a different place a year from now.

Mr. Kaplan referred to the discussion about finding a regional solution. If New London Hospital is struggling and would rather not have the burden of the ambulance, and if the region needs it, Mr. Kaplan is glad to hear that New London Hospital is willing to sit down and talk and examine the other options and what they would cost. He is concerned about the transition, however. He said that the Town is being asked for about an additional \$40,000, which is a lot of money and more than any requested increase from any non-profit in any year. He asked what could be done to ease the pain in 2011.

Mr. King said that the notion of engaging in a regional solution is something that New London Hospital is committed to and will finance the cost of the consultant with the towns. The Hospital wants to stay very involved; it will likely serve as medical control for the region, it does all of the training, and has no plans to abdicate responsibility. He believes that New London Hospital is a very important part of any regional solution. He said that when we bring in the six other towns, the ramifications are daunting to come up with a solution that everyone will agree to. Lastly, he said, hospitals generally don't run ambulances. The situation in New London is more of an artifact of history and in most places ambulances are not hospital-run – they are either independent or town run.

Mr. King said that considerations and options to ease the pain are summarized under #5 on his handout. He said that New London Hospital is being transparent with its prediction of next year's costs based on New London's runs, and the options are to eliminate the second crew or not replace the third vehicle. This would impact all towns, not just New London. He said the ambulance generally has a standby crew available when there are fires and sporting events, and the availability for mutual aid and good response times would all be impacted by the elimination of the second crew.

Mr. Kaplan asked how much the Hospital is willing to ease the pain. Mr. King said that last year the Hospital lost over \$1 million from operations and is struggling on its own, aside from the ambulance. Implicit in this request to the towns is the Hospital budgeting to continue to lose over \$100,000, so if New London did not pay the requested amount, it would add to the Hospital's operating burden. Mr. King said that New London Hospital's budget assumed that the support would come.

John Wilson had two questions. First, he asked, if there is a good chance that we will not continue with current ambulance arrangement, should we continue to put money away for a replacement vehicle? Mr. King said that if there is a regional solution, they would look to pass the assets on to some entity. Second, Mr. Wilson asked, if the second crew is eliminated, and transporting patients still takes place, would this leave us without any coverage? Mr. King said that a third crew is brought in to do transports, and the standby crew does not do transports but is actually doing runs and is present at fire scenes. Terry LeBlanc added that if patient in the Emergency Department (ED) needed to be transferred to DHMC or to tertiary care and only one crew were available, then there would be no coverage. In the past Newport Ambulance has provided mutual aid but is recently pushing back on its willingness to do that and has suggested that it will start charging for mutual aid.

Terri Bingham asked about the ambulance's total loss of \$313,111 and if that is due to the Medicaid reduction, flat payments, and people who could not pay. Mr. King said that it is mostly the latter – the actual 2010 experience was worse than what they had budgeted because of a significant increase in the number of uninsured. What the Hospital budgeted to be 5% bad debt was actually 11%. The flat Medicare payments and reductions from Medicaid are actually in the projection going forward and assume that losses will be worse going forward. Ms. Bingham referred to the ambulance maintenance and vehicle rotation and asked if they break down a lot. Mr. King said that they do and the biggest expense aside from salaries is about \$25,000 per year in vehicle maintenance. Kent Wheeler said that the five-year, 100,000 mile cycle is the best schedule to get the lowest dollar amount per mile for repairs. He said that the 1996-1997 vehicle is about 15 years old and the maintenance costs are substantial every year, and some maintenance expenses are passed over. Ms. Bingham asked if three ambulances are always available or if one is sometimes down. Kent Wheeler said that there have been times when they have needed to borrow an ambulance from another entity when two ambulances were down and they were waiting for them to be repaired.

Mr. King said that New London Hospital has been working with the towns to do a vehicle replacement every five years, and there is a budget to replace one of the vehicles this year. Mr. Bianchi said that we appear to be in the fifth year of a five-year program, and part of the request is for \$7,863 towards a new ambulance. He asked if, assuming the money is received from the other towns, a new ambulance will be purchased this year. Mr. King said that is correct; the 1996 ambulance would be replaced. Mr. Kaplan said that if we have supported buying the new truck for four years out of five, then we ought to pay for the fifth year or we need to talk about what happens to the money that has been pumped in for four years. Tina Naimie said that the amount that is allocated for the truck in this year's budget is to re-pay the last truck purchased, so the towns are paying in arrears for the last truck purchased.

DJ Lavoie asked that with respect to New London's 43% of the ambulance's total runs, what percent that was uncollectible? Mr. King said that the uncollectibles are not town-specific but are broadly included with the 11% bad debt.

Celeste Cook said that Medicare is level funded and Medicaid is not, and she asked about the level of reimbursement from commercial insurance companies, such as those that cover the Hospital or Town employees. Mr. King said that next year's budget assumes flat reimbursement from Medicare and a reduction in Medicaid reimbursement. With respect to commercial contracts, such as with Anthem, Cigna, and Harvard-Pilgrim, the Hospital negotiates annually on what it can collect from those businesses and each of those has different contracts. Generally speaking there is some anticipated increase. Ms. Naimie said that Anthem and Cigna are the biggest users, and Anthem will pay a 5% increase and Cigna a 3% increase.

Fire Chief Jay Lyon asked if the proposed budget includes funding from transports. Ms. Naimie said that the money that comes in from transports covers the cost of those transports, so it is a wash to the cost of ambulance service. Larry Ballin asked why they would break even on transports and not generate a cash overage. Ms. Naimie said that the Hospital transports all patients and some patients do not have insurance or do not have enough coverage to cover the cost of the service. Mr. Ballin asked why the Hospital does not have Rockingham come in and do transfers, if it is not otherwise profitable for the Hospital, and Ms. Naimie said that it would be the same cost either way.

Joe McCarthy asked why New London Hospital uses Golden Cross for transfers when there is staff on-duty. Kent Wheeler said that happens if their vehicle is going to be out for any time and the medical necessity is there, or when the only vehicle available is the 911 vehicle and they do not want to take it out of service to do non-emergent transports. Ms. Leblanc said that also sometimes there is a specific patient request; for instance, if someone goes out for dialysis during the week, it can be left up to them to decide which service they want to use.

Mr. McCarthy said that sometimes transfers take quite a bit of time, and asked why it takes a long time to get up to DHMC and turn around, especially when there is only one crew on, which requires going to mutual aid because a transfer might take up to four hours. He asked if the ambulance crew does something with the patient once they're at DHMC. Kent Wheeler said that there is a registration/check-in process, including reports given, and if the patient is going to a floor such as ICU or cardiac care unit, it's going to take even longer. Mr. King said that sometimes transfers go to Boston.

Terri Bingham asked if they bill the patient once they have collected what they can from the insurance companies. Mr. King said that because the Hospital has contracts with Anthem, Cigna and Harvard and accepts Medicare/Medicaid, they are precluded from "balance billing." If someone has no insurance at all, they can send a bill but generally there are no means to pay. If it is deemed to be a non-emergency service, and it is not a covered service, then providers have the opportunity to bill for that service provided. Ms. Naimie said that co-pays and deductibles can be billed depending on the insurance plan.

Mr. Kaplan said that with respect to the bottom line, the Town of New London needs ambulance service and the question is whether the Hospital is going to continue to provide it or whether the Town is going to do it or whether there will be some working together regionally, and Mr. Kaplan said those are the options. He asked if we are going to make a change, and it seems that the odds are leaning toward it, then why would we spend the extra money for a new vehicle.

Mr. King said that would be an \$8000 savings to New London and smaller savings to the other towns, but the Hospital would be running a more aged fleet.

Ms. Levine said that she is confused by a part of this discussion. If there is no profit in doing transports, as the Hospital used to claim, yet the transports use the Hospital's vehicles and staff time and take a crew away from the towns being served, why are transports being done at all? Ms. Levine said that it seemed like the Hospital could eliminate transfers, which might eliminate the need for the third trucks.

Ms. Leblanc said that some transfers are not optional if the patient needs to be brought somewhere else on an emergency basis. This is why New London Hospital pays 30% of the operating loss to cover the transfers.

Mr. Ballin asked if New London Hospital got out of the ambulance business and the municipalities picked it up, how transfers would be handled. He said that municipalities would not be in the transfer business and asked if the Hospital would hire a private contractor to do that function. Mr. King said that the Hospital recognizes that this is a complicated service in which there is a lot of involvement of the towns and clinical expertise of people involved in medical oversight. The Hospital does not want to get out of it but is owning most of it and thereby most of decision-making – how to staff it, how many rigs, what level of care, how to finance it. Yet the towns set their budgets in advance and last year the Hospital had a bigger loss than predicted, which is all on the Hospital's books, so there is no opportunity to go back to towns.

On the subject of transfers, Mr. King said that he does not have enough knowledge or detail to understand that and would engage the consultants in that question. He thinks we are making a bigger deal about the number of transfers that occur, which is not a significant portion of New London Hospital's business. He thinks this subject should be part of the consideration of the seven towns with the Hospital and the consultant to figure out over the next year.

Jim Wheeler said that to follow-up on Ms. Levine's question, if New London Hospital did not share in the loss of the ambulance, would they then be making a profit or did the loss occur because they are sharing in the ambulance loss. Ms. Naimie said that the transfer work has been a wash and many transfers are from the ED to an appropriate medical facility. Kent Wheeler said that there are about 329 transfers per year, so roughly one a day but often several on some days and not as many on other days.

Mr. Kaplan said that according to one of the financial summaries, the 2010 projected loss was \$313,000, and the projected loss for 2011 is higher. He asked what these figures are based on. Ms. Levine referred him to the Hospital's budget supplement showing expenses and collected charges. Mr. Kaplan said that the charges are going down by \$100,000, so the shortfall has less to do with operations than with the loss of collections. Ms. Naimie said that they are anticipating bad debt going up in 2011 and repeated that there is the anticipation of Medicaid paying less and Medicare reimbursements being flat.

Mr. Bianchi said that the Hospital is running at a deficit and this one year increase will help them in this coming year. He said that if the Town did not pay them the additional funds, then they would be further in the hole. Mr. Bianchi does not feel comfortable trying to understand the paperwork and make comments, as it is out of his expertise, so he has to trust the figures he has been given by the Hospital.

**Mr. Bianchi moved to accept New London Hospital's request of \$132,637 for this fiscal year, seconded by Mr. Kaplan. There being no further discussion, the motion passed 2-0 (Chair Helm abstaining).**

Minutes of October 29, 2010: Mr. Kaplan moved to approve the minutes of October 29 and November 1, seconded by Mr. Bianchi. Chair Helm will give Ms. Levine minor edits and both minutes were approved 3-0.

Chamber of Commerce Request: Ms. Levine read aloud an e-mail from Rob Bryant, Executive Director of the Chamber of Commerce: "The Chamber is celebrating its first year of full occupancy at an Open House next Tuesday, 11/16, 3-6 pm and has invited all contributors to the event via ads in the Intertown and tomorrow's Shopper. You of course, are welcome and it would be great if you, Peter Stanley, your Town colleagues and/or the Select Board dropped by. In filing (belatedly) the event permit application today, the question arose as to whether we will serve liquor. We had not really thought about it since the event immediately precedes our Annual Meeting at the Millstone where there will be a cash bar. The audiences, however, may be substantially different and if legal, might we consider serving wine/beer at the Open House? Since it is on "town property" do we need to go through the temporary liquor license process if there is sufficient time? There is no charge to come to the Open House."

Ms. Levine said that she has sent Mr. Bryant the Town's Alcohol Ordinance and he understands the conditions of serving alcohol on Town property. Chair Helm said that she did not think it was necessary to have alcohol at the Chamber's event, considering that there would be alcohol at the annual meeting later that evening. Ms. Levine said that may be true, but in the past the Selectmen have considered the requests to serve alcohol on their face value as they relate to the Alcohol Ordinance.

Mr. Kaplan moved to approve the Chamber's request to serve alcohol on Town property, subject to following Alcohol Ordinance, and the motion was seconded by Mr. Bianchi.

Chief Lyon said that the occupancy of the event will be based on the square footage of the building. For legal reasons, if alcohol is being served, it must be in the building itself as opposed to spilling out, and since only a certain number of individuals will be allowed in that structure this will limit the amount of alcohol that can be served. Chair Helm said the Chamber should use their best judgment with respect to this event.

Chair Helm called for a vote on the motion with the assumption that the Chamber will abide by all existing laws. The motion passed 3-0.

Milfoil Funding: Chair Helm opened discussion about the milfoil line item of the budget and asked the lake association representatives to introduce themselves. Chair Helm said that combined, the lake associations have requested \$21,200 in funding from the operating budget in both 2011 and 2012. The Town has in the past been able to fund milfoil treatment through the capital reserves, but there is now only \$7500 remaining in that fund, so the question is how to respond to the request for this amount of money.

Mr. Kaplan asked for a breakdown of the \$21,200, and Ms. Levine said that it is as follows:

- Lake Sunapee Protective Association: \$5,000
- Little Sunapee Protective Association: \$5,700
- Messer Pond Protective Association: \$4,000
- Pleasant Lake Protective Association: \$6,500

Mr. Kaplan asked if any lake associations wanted to reduce their request. Pat Sheehan said that the Little Sunapee Protective Association has already reduced their amount by 7% from the amount received in

2010. She does not know how the other lakes came up with their request, but the way they reduced their request was by making a concerted effort to get more volunteer hours at the launch ramp, from 235 hours in 2009 to 265 hours in 2010, an increase of 10% in volunteer hours which reduces the paid lake host hours. Ms. Sheehan said the lake associations cannot continue to increase their requests, and she does not know how the Selectmen can tell other departments to hold their increase to 2% and have a 14% increase from the lake associations. She said that the Little Sunapee Protective Association is actually returning about \$500 of money that was not used to the Town.

Ms. Levine clarified that the requests themselves did not actually increase. Last year the lake associations requested a total of \$24,000, but since there was only \$18,500 budgeted for the last two years, they did not receive their full requests. The requests actually went down from \$24,000 to \$21,200, but because we are budgeting in advance this year, the payments may increase.

Rick Anderson, President of the Pleasant Lake Protective Association, said he sees this as a town issue and we should be looking at the importance of the lakes to the Town of New London. He said that we should be comparing the cost of prevention to the cost of treatment. We need to consider the cost of preventing milfoil from entering any water body, which would likely spread to other water bodies, versus the cost of controlling milfoil, versus the cost to property values in the tax base of the Town of New London. It is not just an issue of water body by water body, but it is a town issue. He said that clearly the lake associations can have a major impact in figuring out ways to staff ramps and inspect boats, but the bigger question is comparing the various costs. He believes it is important, as a resident of New London and as a PLPA member, to keep the town engaged. In the case of Pleasant Lake, they have dedicated volunteer hours but also have been very successful with fundraising and have a large and active membership. He said that paid lake hosts are more effective because of the consistency of their approach. He would hate to see a situation where the lakes are competing for allocation of funding from the Town; the associations were comfortable with the amounts contained in the requests and he would hate to see us sit here and squabble over \$500 here or there.

June Fichter said that the Lake Sunapee Protective Association's request to the three towns has been the same for ten years. Lake Sunapee has five ramps, and LSPA inspects boats on four of these ramps. Lake Sunapee is the only lake with milfoil and it has the added cost of managing that milfoil, which they have done successfully despite the fact that it is the drinking water supply so chemical treatment is not an option. LSPA also has volunteers used as weed watchers over 26 miles of shoreland and covers all of it between volunteers and staff, so it is not only staffed by paid lake hosts. Ms. Fichter reiterated the earlier comment about property values, saying that there are hundreds of millions of dollars of property on the lakes and studies have shown that property values go down if water quality is lowered or if there is an infestation. Studies have shown drops of as much as 20% in Maine and Midwest. Ms. Levine said that in New London, every 1% of value reduction results in 6 cents on the tax rate, so a loss of property value of 15% would equal \$1.07 on the tax rate.

Mr. Koron of the Little Sunapee Protective Association said that the lake associations have studied lost property values closely, but studies also show that there is a loss of jobs once the perception is that the quality of the lakes has diminished. For the Lake Sunapee region, the lake associations have projected an impact figure and he is happy to get that for the Board of Selectmen. Mr. Koron said that the Little Sunapee Protective Association does lake hosting, weed watching five times in the summer along the shoreline, and now the big LSPA has to prevent milfoil from spreading to the rest of the lake. He hopes the other lakes do not have to get to that point. In 2009, he said, there were 297 saves by inspections at ramps throughout New Hampshire; that means that there could have been milfoil in those lakes. He said the lake host program expanded from 18 lakes in 2002 to 71 lakes in 2009.

Chair Helm asked why the fifth ramp on Lake Sunapee is not monitored and Ms. Fichter said it is a matter of finances; it is the least used and they are considering staffing it in the future if the money is there.

Terri Bingham agreed with what has been said and added that Ms. Fichter can put numbers on the cost of containment versus prevention – the prevention pales in comparison to what Lake Sunapee has to pay for the small amount of containment that they are doing. Ms. Bingham said it is fair to say that all of the associations are doing a lot of different things to do their part in preventing milfoil or any type of invasion of exotic species. All have weedwatcher programs, all are doing what they can with lake hosting, and all are trying in different ways to gear volunteer efforts to mitigate costs. They can argue about whether paid lake hosts better than volunteers, etc., but each lake trying to maximize resources to serve the goal. She said that the Selectmen should be proud of the fact that all associations are trying to self help and all recognize that this is more of a public/private partnership with the town. She thinks it's a joint responsibility because of the value of the water bodies to the Town. She said that Messer Pond is small but popular with fisherman, and it is shallow so if something happens to Messer Pond it could easily turn into Messer Bog. She said that they don't have the tax base or as many houses as on other lakes, but they are trying to do what they can to share in the cost.

Mr. Anderson said he would like to find ways to work with other lake associations to learn from each other and be more efficient, and it would be useful to prepare together for the possible infestation in any water body. He said that collaboration amongst waterbodies and with the Town will help us all prepare for what could happen.

Ms. Sheehan explained that funding for milfoil will not come from the capital reserve account but would be part of general fund. She said there would be approximately \$8000 left in the capital reserve account and she hopes that the plan would not be to return that to the general fund but instead to keep it in the reserve account as a start towards what could be used for remediation. She said it is not a lot of money but maybe when the financial climate improves we could start funding that account again so that there would be a sum of money left for treatment.

Jay Lyon asked if divers were ever hired to do inspections or evaluations of launch areas. Ms. Fichter said that LSPA has volunteer divers. Mr. Lyon said that New London Fire Department has established a regional dive team and could be used as volunteers to assist with inspections while giving them training.

Mr. Bianchi said that we are looking at \$21,200 contribution for the next two years. Ms. Levine said it would also be in the 2013 budget because the funds are paid out in the late spring. Many of the lake associations need the Town's funds for cash flow before they receive other sources of funds.

**Chair Helm moved to approve \$21,200 for 2011 budget and reduce by half the request for 2012.** She said that as a rationale, some lake associations are working on their tax exempt status and may have more ability to raise money, and she charged the various associations to work together and involve the broader township so fundraising would reach the whole community. Chair Helm said we all benefit from the lakes and those on the lakes benefit most. **Mr. Kaplan seconded the motion.**

Mr. Koron disagreed with the second part of the motion. Mr. Stark said that PLPA did not see an increase in revenue after becoming not-for-profit. Chair Helm said it would have to be combined with a collective outreach for broader community. Mr. Koron said that LiSPA doubled its dues for the coming year, and it is not just the lake folks who are members, so to go back and ask for more would be difficult.

Ms. Fichter said that LSPA has been 501(c)3 for a while and about half of its members are not on any lake; they are already reaching out to the general area for support. Ms. Bingham said reducing by half is

drastic, and for both LiSpa and Messer Pond, to the extent that they get a bump from the new non-profit status, it may take more time. She said that any reduction would be better in the 2013 time frame once there has been more experience with how much more lake associations can take on from financial standpoint. All of the lakes do water testing and incur other expenses related to maintaining good quality of the water, so she recommended not reducing the budget in 2012 but reserving that question to 2013.

Mr. Anderson said that the Selectmen's decision to support milfoil funding is a decision of the Town that we're all in this together. By keeping it in the tax base, it helps emphasize to all residents how important water bodies are and that the Selectmen are consciously deciding this is important to town.

Chair Helm said that her rationale is that the Selectmen have asked the Department Heads and others to make compromises, so she proposed this by way of a compromise. Pat Sheehan said that a cut of 50% in the second year is drastic, though she agrees that a cut should be made. She suggested a cut of 10% a year over five years to give the lake associations time to go back to their annual meetings to explain what has been done and encourage them to get more contributions coming in.

Mr. Kaplan asked to amend Chair Helm's motion to reflect Pat Sheehan's suggestion. **Chair Helm amended her own motion to reduce the request by 10% starting with the 2011 budget and another 10% from the 2011 budget in 2012. Mr. Kaplan said the math works out to \$19,080 in 2011 and \$17,172 in 2012. Mr. Kaplan seconded the amendment.**

Chair Helm called for discussion on the amendment. Mr. Bianchi said that he is opposed to the amendment. There is a request for \$21,200 for the 2011 budget, and he supposes that the 2012 request could be reconsidered, but since that money would be needed at the beginning of the year, it would hamstring organizations if they did not have it at the beginning of the year.

Mr. Kaplan said that the Town is looking to hold down costs as best they can, and someone from a lake association has suggested that for a period of 4-5 years, the lake associations would have a chance to catch up and fill in the decreased amounts from the town. Ms. Levine said this is a \$4,000 reduction over 18 months.

Ms. Fichter reminded the Selectmen that there are hundreds of millions of dollars riding on the lakes, and an infestation could cost 5-6 figures to treat, as Lake Morey and Lake Fairlee have learned. While \$8,000 is nice to have in the kitty, should any lake association fail, the costs are catastrophic. That is the risk and the balance to keep in mind, she said, and if there were no lake associations, the towns would likely already have a problem to deal with.

Mr. Koron plead with the Selectmen not to touch the 2011 funds, as there is not enough time to raise more money. He said it is not worth it to hurt the investment in the lakes. Mr. Anderson said this is not about reducing overall costs, as the cost to the program is going up; what we are talking about is placing the burden elsewhere. Mr. Kaplan said that for big Lake Sunapee, we are talking about \$500, and he knows that \$500 is not a lot of money for them; it can be raised in two donations and the same is true for the other lakes. The largest request was for \$6500, and 10% of that is \$650. He knows people on Pleasant Lake and he is trying to get people to be reasonable. The Selectmen are under a lot of pressure to keep the budget down.

**Chair Helm called for a vote on the amendment, which failed 1-2 (Kaplan in favor, Helm & Bianchi opposed).**

Chair Helm repeated the original motion, which is to allocate \$21,200 in 2011 and to reduce the 2012 budget by half.

Brad Cook said that Ms. Sheehan's point is a good one and suggested that the incremental reduction in future years is still valid, and given the discussion on the prior amendment would argue in favor of either a 20% reduction in 2012 and 10% thereafter or start the 10% in 2012 to get to 50% over five years. Chair Helm agreed with the suggestion that it is a short time to cut drastically the first budget for 2011 and that is why she opposed her own amendment.

Chair Helm amended her original motion as a compromise, and proposed that for 2011 the Town fund \$21,200 and for 2012 reduce the amount by 20%. Mr. Bianchi said that is the same result as what was just voted down. Mr. Kaplan said \$16,250 would be the 2012 budget. Ms. Levine said that has a higher impact over two years than the previous motion did. Chair Helm said that she would like the second year to be \$17,172, so her amendment is \$21,200 for 2011 and \$17,172 for 2012.

**There was no second on the amendment, so Chair Helm returned to the original motion of \$21,200 in the first year and cut by 50% in the second year. Mr. Bianchi called the question. Chair Helm called a vote on calling the question, and it passed 3-0.**

**Chair Helm called for a vote on the original motion. There were no votes in favor of the motion and it failed 3-0.**

**Mr. Kaplan moved to approve the original budget request of \$21,200 in each year, seconded by Mr. Bianchi. There being no further discussion, the motion passed unanimously.**

Mr. Anderson thanked the Selectmen for the healthy discussion and Ms. Bingham seconded the sentiment.

Recreation Department Boats: Following the Selectmen's request at their November 12 meeting, Chad Denning distributed a memo to the Board of Selectmen regarding boat use at Bucklin Beach. Mr. Denning said that he put the fund request in his budget because he thinks it's prudent for the future of New London. He has two large binders with 563 forms from families that registered with the Recreation Department to use the boats. There were 48 new forms completed in 2010 and there were 28 who used the boats for lessons, plus a number of private lessons with sailing instructor, which are not documented because no money changes hands. Mr. Denning said in 2009 there were 55 new families and 18 beginner lessons.

Mr. Denning said that 68% of the people in the book had New London addresses, and 32% (180) are addresses other than New London. In his opinion the majority of out-of-town participants are children or grandchildren of residents because they are not from the immediate surrounding towns but are out-of-state or more than 30 miles from the area. For example, he said, Bob Meck's daughter is from Maryland and her children use the boats.

Mr. Denning said that he is asking to purchase two new sailboats to put three in retirement to continue the sailing program into the future. Chair Helm asked if there is an opportunity to stagger replacement over the next few years and if he could budget for the purchase of one in 2011 and one in 2012. Mr. Denning said the town's newest boat is from 1981 and they are mostly from the 1960s and 1970s. These boats were not new when the program started, and they are at the point now where the boats get more used more by the public than they ever did when they were privately-own, and that is during the later years of the boats' lives.

Chair Helm asked if staggering the purchase would threaten the program and Mr. Denning said that if no boats at all were replaced this year, it would eliminate the program, but phasing it would allow it to continue. He pointed out that they were denied this request for the past two years so that is why they are asking for more money this year.

Mr. Lavoie asked if fees are charged for the lessons. Mr. Denning said that fees are charged for beginner or intermediate lessons but for people to use the boats on their own, there is no fee. The fees go into the revolving fund. He charges \$35 per child for lessons, so there is about \$500 raised for the sailing lessons. Charging a lower figure allows more people to use the program. Mr. Kaplan said that is the point of the program - for residents and their families to enjoy themselves. If they have to pay every time, it is not enjoyable, and going to the beach with money in your pocket doesn't work. If someone wants their children in a formal sailing program, that is fine, but he said that now it seems that we're nitpicking.

**Mr. Kaplan moved to accept the \$8000 figure in the proposed budget. Mr. Bianchi seconded it for discussion.**

Mr. Bianchi said that sailing is great, but what we are saying is that anyone can come down to Bucklin Beach and go sailing for nothing. Celeste Cook said that her grandchildren use the beach and their facilities and the Recreation Department is a wonderful organization. As long as you are a New London resident then your grandchildren or nieces or nephews or cousins should be able to use the facilities that we offer.

Ms. Levine said that going forward, we could track boat use better to have a more accurate idea of who is using the boats. Chair Helm said that this is a broader discussion relating to the beach ordinance and that discussion can be had in the future. Mr. Denning said that the Recreation Department wants to know the answers to the questions that are being asked and would like to include more information on the forms to be able to answer the questions asked.

Mr. Bianchi asked if the boat purchase could be taken out of the revolving fund. Mr. Denning asked if the boats could be taken out of the Recreation Facilities Capital Reserve Fund. Ms. Levine said that could only happen if the purpose of the fund were changed at Town Meeting. In addition, \$4,000 boats are not a capital-level item and should come out of the operating budget. Ms. Levine said that the revolving fund pays for programming, and to make a major purchase like this would sap the fund.

Mr. Lavoie suggested purchasing future boats from a revolving fund by collecting fees from lessons over a number of years. Ms. Levine said it would take years to fund a boat in this manner. Mr. Kaplan said the Town also loses control because the Board of Selectmen and voters would not get to approve the request if it comes out of the revolving fund, and he thinks the purchases should be transparent.

Chair Helm called for a vote on the motion. The motion passed 2-1 (Helm and Kaplan in favor, Bianchi opposed).

Budget: Chair Helm called for a vote on Peter Bianchi's proposed budget cuts that he raised on Friday. Ms. Levine said that Mr. Cottrill could not be available this morning and had asked to hold the discussion about the Planner budget until he could be present.

Chair Helm said that Mr. Bianchi made the following proposed cuts:

- \$3500 from Executive;

- \$3300 from Planning budget (which will be postponed until Mr. Cottrill is available);
- \$1500 from the Police Department;
- \$1500 from the Fire Department;
- \$1000 from the Department of Public Works; and
- \$8000 from the Recreation Department, which has been addressed.

In total, \$7500 is up for discussion. Chair Helm asked if the others wanted to take them all at once or in a lump sum. Mr. Kaplan said that he does not plan to vote for any of them so would do it in a lump sum.

Mr. Bianchi moved to reduce the budget by the \$7500 listed above. There was no second for the motion.

Ms. Levine said that over the weekend, Hardy Hasenfuss had offered to assist with the finance officer search at not cost to the Town. She said that she would like some time to talk to him about his background and qualifications but she thinks there is a very strong possibility that \$6500 could be removed from the budget.

Sewer Project: Ms. Levine distributed a spreadsheet showing multiple scenarios of cost-sharing between the taxpayers and sewer users. Mr. Bianchi said that the Sunapee sewer users are paying that Town's entire portion.

Chair Helm said that she would like to stick to the two-thirds/one-third ratio proposed last year, as that is what was sold last year and that has already been presented to the town. Mr. Kaplan agreed and said he would like to keep the same ratio. Peter Bianchi said that it makes sense that they feel that way, as the other two Selectmen are on Town sewer. He said that he will never see sewer at his property, and a great percentage of the Town will never see sewer. Mr. Bianchi said the average cost for the sewer user for this project would be \$323.04 per year, and in 20 years that would pay for less than half of a septic system. He said he would pay \$50,000 to be on Town sewer. He has put in three leach fields in his house over 30 years, and he thinks that the users should pay at least three-quarters of the sewer project.

Mr. Kaplan agreed with Chair Helm that last year when we proposed a two-thirds/one-third split, it passed. Mr. Bianchi said that it was not part of the warrant article so the Selectmen do not know that voters approved that ratio. Ms. Levine said that it was openly discussed at Town Meeting and in written materials prior to Town Meeting, but that she was advised that it should not be in the warrant article because it suggested that it was a revenue bond and not a general obligation bond.

Mr. Bianchi said that he understands that it was discussed but it is not a true statement to say that they voted on the cost allocation. Mr. Kaplan said the Selectmen many times repeated that was the proposed cost allocation so it was not as though anything was being hidden. Mr. Bianchi said he does not remember the choice going before the Town. Ms. Levine said it was discussed at a minimum during the public hearing on the bond.

Chair Helm asked if the Selectmen could recommend two-thirds/one-third and have a public hearing to discuss it before we put it to the public. Ms. Levine said a bond hearing would be required, and the Selectmen can have a public hearing on any subject whenever they would like to.

Mr. Kaplan said that a majority of people understood it and thought it was a fair thing to do and voted for the bond. If we change the ratio, people will ask why it is being changed and some will gain and some will not. He said that politically speaking it will be a terrible thing to do and would not accomplish anything.

Chair Helm added that those who are not on sewer do benefit from the sewer in the center of town; this was all part of the discussion a year ago. She said it has nothing to do with the other two being on the sewer system. Ms. Levine said that is the same as Mr. Bianchi living on the lake and suggesting other taxpayers should share in the cost of milfoil prevention. There is a benefit to the greater good.

**Mr. Kaplan moved to utilize the ratio of one-third paid by taxpayers and two-thirds paid by the sewer users. Seconded by Mr. Bianchi for discussion purposes.** Peter Bianchi said it is disrespectful for someone to make a motion and not have it be seconded for discussion.

There being no further discussion, the motion passed 2-1 (Mr. Bianchi opposed).

Whipple Generator Repairs: Ms. Levine presented the Board of Selectmen with a proposal from Bruss Construction to repair the exterior wall between the generator and Whipple Town Hall, where there is a consistent leak going into the basement of the building. She asked to have approval to spend out of the Town Building Capital Reserve Fund for this repair, which should be done before winter.

**Mr. Kaplan move to expend \$6885.73 to fix the wall at Whipple Memorial Town Hall, seconded by Mr. Bianchi.**

Mr. Bianchi said that he is not questioning that the work has to be done but asked that from now on we seek at least three proposals for any project like this. Chair Helm agreed.

**The motion passed 3-0.**

Water Precinct: Ms. Levine said that the Selectmen had raised the question about the amount charged by the Water Precinct for hydrant maintenance. She said that she had conducted a quick survey of what other towns pay and she had shared the responses with the Selectmen. New London-Springfield Water Precinct was roughly in the middle and their fees did not seem out of line. She asked if the Selectmen still wanted to meet with the Water Precinct Commissioners. Chair Helm said that there is no urgency to meet but going forward there should be more interaction between the two bodies to better understand how they impact the taxpayers. Ms. Levine said that the next Water Precinct meeting is on December 6 at 4:00 PM. Chair Helm said her goal to have plenty of interaction with various entities in town. The Water Precinct has operated in a vacuum but their budget affects our tax rate.

Budget Presentation: Ms. Levine asked the Selectmen how they wanted to present the budget to the Budget Committee, and whether they wanted a power point, cover memo, or something else. Chair Helm suggested a cover letter summarizing the proposal and the various decisions made by the Selectmen. Peter Bianchi asked to include the original budget print-out and Ms. Levine said that would be provided.

Holidays Bonuses: Ms. Levine presented a memo from Finance Officer Carol Fraley requesting the annual holiday bonuses to be spent from the Selectmen's Discretionary Fund. Mr. Bianchi asked why the part-time firefighters receive a bonus. Ms. Levine said that a few years ago the Town realized that it was giving a \$50 bonus to some part-time employees, but not all of them, and this done to be fair to all employees. Mr. Bianchi said that he has no problem with a bonus for full-time employees but he is not sure why we give them to part-time employees. Ms. Levine said that our part-time employees include staff at the Library, recording secretaries, police officers, and others who are part of our regular operations.

**Mr. Kaplan move to accept the request for holiday bonuses dated November 15. Peter Bianchi seconded the motion for discussion.**

Mr. Bianchi thinks the bonuses should be paid to full-time employees only.

Chair Helm called for vote. The motion passed 2-1 (Mr. Bianchi opposed).

Health/Dental Comparison: Ms. Levine referred to a spreadsheet that Carol Fraley had prepared on Friday that explained why the savings from the health spreadsheet were not reflected in the budget. Ms. Levine said that there were changes in staffing in 2010 and anticipated changes in 2011 that affected the cost of health and dental. Mr. Bianchi said that the 2010 dental budget was not \$30,072, as Ms. Levine had stated. Ms. Levine said that there were staffing changes during the year and that spreadsheet had been prepared at the beginning of the year. She said that every difference can be explained and mostly has to do with employee turnover and changes in benefits.

Mr. Bianchi said that at the November 12 meeting, Ms. Fraley had said that the cost of the dental premium was about \$120 or so less than what is on the spreadsheet. Ms. Levine said that Ms. Fraley had not had the figures in front of her and had said she would provide more accurate information, which is what is provided now.

Mr. Bianchi said that when we talk about the budget next year, we should include dental benefits in the discussion of health benefits. Chair Helm and Mr. Kaplan agreed.

Town Administrator Report: Ms. Levine reported that tax bills were sent out on Wednesday, November 10, with an insert explaining the tax rate, the abatement process, and the fiscal year transition. She said that although the tax rate was set on November 2, it was not certified by the Department of Revenue Administration until late in the afternoon on November 8, and staff folded and stuffed the bills on Tuesday for mailing on Wednesday. Ms. Levine said also that the Scenic Byways Committee met on Wednesday and continues to need more New London presence on the committee.

**Committee Reports**

Planning Board: Mr. Bianchi reported that the Planning Board continued its work on the Master Plan. One item of business was a request by the Four Corners Grille to forego a site plan review for putting up solar panels. The Planning Board waived site plan review, which was the recommendation of staff. Mr. Bianchi said the Board worked on the Community Facilities chapter, which will be completed by the future planner.

**Upcoming Meetings:**

Ambulance: Ms. Levine noted the meeting scheduled for November 29 at 3:30 PM. Mr. Bianchi said he does think there is a need for a study. Chair Helm thanked Ms. Levine for being the town's advocate on this subject.

Wind Turbine: There is a meeting at Colby-Sawyer College on December 13. Chair Helm will attend and Mr. Bianchi will try as well.

LGC Conference: Chair Helm will go to the conference on Thursday and Mr. Kaplan will go for lunch. Ms. Levine said the Selectmen's Office will be closed on Thursday so all staff can attend the conference and be at the Town Report Award luncheon to accept the first place award.

GACIT: Chair Helm and Mr. Kaplan will attend the November 17 public meeting about the State's Ten-Year Transportation Plan.

KRSD MBC Meeting: Mr. Bianchi said that this meeting is tomorrow night and he is going to attend, along with Jim Wheeler and John Wilson. He reminded the Selectmen that the school is a large portion of the tax bill.

Other Business:

Mr. Bianchi went over fiscal year handout and said that it is critical that Selectmen understand it. Ms. Levine said that she will review it again and try to make improvements before tonight's Budget committee meeting.

Mr. Bianchi said that there also needs to be a discussion about what the warrant will look like at Town Meeting.

There being no further business, the Board of Selectmen signed the documents below:

Application for Building Permit:

- Barbara Troxell Trust, 357 Forest Acres Road (Map & Lot 118-020-000) install screen panels under deck – Permit #10-123 – **DENIED** (does not comply w/Article XVI, Section J,1,B
- David & Michele Livingston, 490 Otterville Road (Map & Lot 042-006-000) build new deck – Permit #10-124 – Approved.
- David & Sue Ellen Andrews, 114 Turkey Hill Run (Map & Lot 051-025-000) remove deck, replace doors & windows – Permit #10-125 – Approved.
- Michael & Lisa Wood, 34 Northwood Lane, (Map & Lot 104-016-000) dormer and bath addition – Permit #10-126 – Approved.
- Margaret Weathers, 92 Fieldstone Lane (Map & Lot 093-011-000) 2 car garage – Permit #10-127 – Approved.
- Barbara Avery Trust, 744 Pleasant Street (Map & Lot 049-007-000) windows on porch, close in under porch – Permit #10-128 – Approved.
- Thomas & Vicky Mills, 40 Andover Road (Map & Lot 122-001-000) install solar panels – Permit #10-129 – Approved.

Application for Sign Permits:

- TEMPORARY - Lake Sunapee VNA, 107 Newport Road, VNA Craft Fair – 11/20/2010 – 9AM-2PM – Approved.
- TEMPORARY - Elkins Ladies Benevolent Society Christmas Tea & Holiday Fair – 12/3/2010 – 10AM-2PM – Approved.
- TEMPORARY – Glenn Bonewald, Mt. Sunapee Area Ski club, sign in front of information booth – Approved.
- PERMANENT – PC's gift shop, 195 Main Street (Map & Lot 073-077-000) Approved.

Application for use of the Town Common:

- Lake Sunapee Chamber of Commerce – lighting of holiday tree in gazebo and lighting of holiday tree on 1 tree to the left of the information booth – 11/27-12/3 - Approved.

Application for Intent to Cut:

- Martha Peyser, Seamans Road (Map & Lot 086-022-000) Approved.

Other items to be signed:

- Disbursement voucher and payroll for November 15, 2010.
- 2010 Second property tax billing - \$8,053,764.98 due 12/15/2010 – Signed 11/9/2010

There being no further business, the meeting adjourned at 11:50 AM.

Respectfully submitted,

Jessie W. Levine  
Town Administrator