



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES October 18, 2010

PRESENT:

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

Also present:

Russ Aney, New London resident
Larry Ballin, New London resident
Carolyn Ellison, New London resident
Bill Green, New London resident
Doug Homan, New London resident
Polly Kidder, New London property owner
Janet Kidder, New London resident
DJ Lavoie, New London resident
Gary Markoff, New London resident
Peter Messer, New London resident
Barry Morrissey, New London resident
Jack Sheehan, New London resident
Pat Sheehan, New London resident
Dan Wolf, New London property owner

Ben Cushing, Budget Committee
Jim Wheeler, Budget Committee
John Wilson, Budget Committee
Bob Meck, Budget Committee
Kathy Bianchi, Budget Committee
Doug Lyon, New London resident
Chad Denning, Recreation Director
Linda Hardy, Town Clerk/Tax Collector
Richard Lee, Public Works Director
Sandra Licks, Library Director
Jay Lyon, Fire Chief
David Seastrand, Police Chief
Peter Stanley, Zoning Administrator
Pat Trader, *Intertown Record*

Chair Helm called the meeting to order at 8:00 AM.

Mark Kaplan moved to go into non-public session to discuss employee salaries pursuant to RSA 91-A:3 II (a). Peter Bianchi seconded the motion. Roll call vote: Bianchi – yes; Helm – yes; Kaplan – yes. Motion passed.

The Board of Selectmen came out of non-public session at 8:35 AM. Chair Helm announced that in the non-public session the Board of Selectmen approved an employee raise budget of approximately \$23,000 in 2011 and \$15,000 for 2012, half of which will be in the 18-month budget. She said that not all Town employees will be receiving a raise.

Health Insurance: Chair Helm said it has generally been acknowledged that the Town is very fortunate in the employees it has and wishes to treat them as well as they possibly can, but the Selectmen have recognized that their health benefits are particularly generous and need to be reviewed to be fair to everyone. She referred to a spreadsheet prepared by Ms. Levine showing health plan options and asked for her colleagues to comment.

Mr. Bianchi said there are two plans that the Town currently offers its employees: one is a Blue Choice 2-Tier plan and one is a Matthew Thornton HMO plan, and the majority of employees are on the Blue Choice plan. In that plan, the employees pay 2.5% of the single premium, 5.25% of the two-person plan,

and effectively 5.96% for the family plan, and for the Matthew Thornton employees pay 2% of the single plan premium and 5% of the two-person and family plan premiums. Mr. Bianchi summarized that the most an employee in the Town pays for health insurance is 5.96% and the Town picks up the difference. Mr. Bianchi agrees with Chair Helm's statement that the plans are very generous.

In looking at the options, Mr. Bianchi said, there are several ways in which to reduce the Town's cost for health insurance. One is to change policies, which would be to offer a different plan which may include a high deductible, or the second option is to increase the employee contributions so instead of paying 5.96%, the employee would pay more than that. Mr. Bianchi said that the other way of approaching the cost question is to simply say "how much does the Town lay out for health insurance?" and if we currently spend \$500,000, let's cut that budget by a certain percentage. Mr. Bianchi said that these are the approaches he thinks are viable and the Board of Selectmen has to decide, along with the Budget Committee, and then the whole Town votes on their recommendation.

Mr. Bianchi said that the spreadsheet from Ms. Levine does not include a Blue Choice plan with a deductible. Ms. Levine said that there were plans with deductibles on the original spreadsheet that she had given the Board of Selectmen on September 27 summarizing the health proposals.

Mr. Bianchi said there needs to be a consensus as to whether to change the employee contributions or change plans, but to do both would be too confusing. He added that there are six individuals in town who receive a buyout for their insurance, and the Town pays these individuals half of the cost of the premium of the plan they were on. Ms. Levine clarified that they get half of the employee share of the least expensive plan that they would be eligible for, so an employee who receives the buyout for a family plan receives half of the cost of the Matthew Thornton plan, minus the employee share. Mr. Bianchi said that is a factor in the whole discussion because some people opt out of our insurance, which theoretically saves the Town money. Ms. Levine said that without naming individual employees who receive the buyouts, the value of the buyouts should be considered because they should remain attractive to employees because there is a cost for the Town if they return to our plan. She said that the impact of one employee returning to the Town two-person plan is already \$8000 in the proposed budget.

Mr. Kaplan said that if the Town changes plans and it costs employees money, then it's out of their pocket and he's not in favor of that. If we keep the same plan, he said, then we are far better off in terms of employee relationships.

Ms. Levine clarified that the premiums of existing plans went down: Blue Choice by 1% and Matthew Thornton by 3.9%, so even if nothing else changes the Town would save \$8000 in 2011. Chair Helm referred to the spreadsheet from Ms. Levine containing options, and said the third option, which is to change to the \$250/750 deductible plan, would save the Town about \$60,000.

Chair Helm opened the discussion to the floor.

Russ Aney said that company CEOs have to review plans for their employees and shop around as well, and he understand that it can be complicated and difficult to wade through, but one thing he has not heard discussed is whether plans will suit the employees' needs, such as wellness benefits and programs. He hopes the Board of Selectmen is considering value provided to employees not just for the short term but for the long-term, and urged them to consider that health benefits are part of an overall compensation package for employees but are not taxable. He encouraged the Selectmen to look at the compensation that employees get (and their compensation is below market value for what these folks would get if they go elsewhere), and having an untaxed health benefit is a nice way to add to below-average salaries. Mr. Aney said that before we cut too much from the health insurance plans, the Selectmen should look at the

overall compensation package and determine if this is the right place to cut. He has had the opportunity to work with the leaders of all of the departments in Town and he finds them all to be extremely competent, knowledgeable, courteous, and outstanding leaders and because we have these outstanding employees, it has led to outstanding volunteerism that helps to make New London a great place to live. He asked the Selectmen to keep in context the fact that we're talking about overall compensation and as much as we're trying to keep health benefits reasonable, we should recognize and appreciate the outstanding job these folks do for the Town. Any one of them could easily get a job elsewhere and we should make them feel that the community welcomes them.

Mr. Bianchi responded to the first part of Mr. Aney's comments regarding having a plan that suits employee needs. Mr. Bianchi read from the benefits description and said that the Blue Choice Two-Tier plan has no deductible, no out of pocket maximum, free preventive care, and routine care covered after co-pay. He said the co-pay of \$20 seems high and the only other co-pay is the emergency room charge of \$100.

Mr. Aney clarified that he was asking if we are providing the types of services and coverages that are important to the individuals, and have we tried to design a plan that better meets their needs and provides wellness benefits and would, over time, make healthcare more reasonable.

Dan Wolf said that four years ago the School District hired a consultant out of Connecticut who interviewed employees to answer Mr. Aney's question, and then went to bid and prepared an array of plan options. The School District continues to use the consultant and every year he comes back with what is available. It has been very successful for the School District and the employees are getting the plan that works for them and helps the School District maintain their employees with little turnover in the last two years. Also, he said, the School District is hiring someone to consult on property & liability insurance. He said that rates going down 1% or 3% is fantastic, as the School District is budgeting a 12% increase in healthcare costs.

Mr. Bianchi said that the figures quoted today are from the Local Government Center. Mr. Wolf said the School District used to work with LGC and they are one of the bidders that provides options, and the independent consultant is not tied to LGC. He said it was not cheap to hire the consultant but it has been an ongoing relationship for four years and like most projects costs a fair amount of money at the outset. Mr. Wolf said the School District has close to 400 employees. Mr. Bianchi said the Town has 40 employees.

Doug Homan asked if the Town has done a study of local businesses and local people that also insure employees to see what they're paying and what they're getting. Ms. Levine said that has been done in the past. Mr. Homan asked if employees moved here to take a position or if we hired from a local pool. Ms. Levine said that for the most part we hire locally but occasionally employees have moved here for the position.

Barry Morrissey asked if we have done analysis of what local towns offer. Ms. Levine said that was part of the recent study, the results of which were on the Town website.

Mr. Homan said that he does not understand how that's relevant. What does it matter what Hanover pays if people aren't going to move there to get a job there? He said that what matters is what the market is paying in the local area, and the question is what a comparable job in a local business will be paying.

Mr. Morrissey disagreed and said that it is relevant what Sunapee and some of the adjoining towns pay. He agreed that Portsmouth is not relevant but he thinks we need to look at the surrounding towns and we

need to look at those programs. He has served on corporate boards in his career and his impression is that this is an extremely generous plan and it is not underfunded. He said health costs are going to spiral sooner or later beyond control. A few years ago he made a presentation to the Budget Committee about pension plans and now there are municipalities that are bankrupt because of unfunded pension plans. Mr. Morrissey said that we need to look at surrounding area plans and analyze how employees truly use these plans.

Dan Wolf said that he does not have the figures with him but the Town of Newbury pays 100%, no deductible, for the 2-person plan, and the Town of Warner still pays 100% for their town employees.

Ann Bedard asked Russ Aney and Dan Wolf how they obtained information about the employee use of health insurance, because that information is protected by HIPAA. Mr. Wolf they did not go into the records of what employees used and how they used it, but they can find out what their cost is of the insurance, and the bottom line is the cost to the District. Ms. Bedard asked how they went about seeing what kind of insurance coverage would be desirable to the employees, and Mr. Wolf replied that the consultant interviewed a large number of employees.

Polly Kidder said that at Twin Lake Villa, they have only a few employees who are insured, and they have a \$5000 deductible. All it takes is one surgery for that person to hit the deductible and then next year the rates go up and there is no control over that. She said there is also a \$20 co-pay on their plan.

Gary Markoff said that a lot of this comes down to the incentive structure, and if there's a higher utilization rate in the current plan, then his recommendation is to have a higher deductible, which is an incentive structure and if not used, the payment for insurance doesn't go up automatically. He said there is a decision to be made as to whether or not to use the resource and the employee would bear some of the expense of doing so. He suggested having a deductible plan that is connected to the employee salary level; Ms. Levine said that cannot easily be done.

Chair Helm said there is an incentive in some of the plan options based on the personal deductible. Mr. Markoff said these plans can generate net savings and overall lower expenses, which has to be done as a society and not just here in New London. Chair Helm said that is partially what's going on here; we all recognize that we are extremely fortunate with the employees we have and want to keep them, but on the other hand we have to be realistic as to what our residents will pay. She said that so far we have done a pretty good job as Selectmen, Town Administrator and Department Heads to try to give good services while keeping the tax rate reasonable compared to other towns, but we are at a crossroads with health insurance right now.

Doug Lyon said that he had a couple of broad comments. He was a selectman in Town for over a decade and worked with this exceptional group of town employees who provide remarkably good services. He wants to echo the comment that healthcare is part of overall compensation package, and the Town needs to look at healthcare as every organization does. He said there are always trade-offs, and referred to Mr. Markoff's comment about deductibles as a way of incentivizing better use of a plan. He also said that if you don't incentivize employees often don't use the plan correctly and all of that has to be balanced. He does not disagree with the Selectmen continuing to look at healthcare options, but cautioned them not to find themselves in a position where we are stagnating or lowering employee compensation. He said that everyone in this room expects these town employees literally to put their lives on the line every day when they do their jobs. When they were working overtime for the ice storm two years ago, no one was saying "thank you very much and we're glad we pay you less than other towns," and when Ryan Haynes was killed a few years ago, no one was going to stand up at his funeral and say "we appreciate your sacrifice but you don't deserve a Cadillac health plan or a bump in pay." Mr. Lyon said that if anyone wants to

know whether the police are overpaid, then join them for night shift on a Saturday night, and if you think the DPW job is easy, then ask Ryan Haynes's family how easy it is. Mr. Lyon said that if anyone thinks our workers are not doing a great job, compare them to stories about the problems in other towns. He repeated that we have a remarkable group with a remarkable record of employment. Mr. Lyon said a comment was made in a letter circulated around town that the employees don't live in town and therefore don't suffer the problems of high tax rate. In fact, Mr. Lyon said, they can't afford to live in town because they can't afford to buy a house here, and they probably would like to live here because our tax rate is lower than in other towns. Mr. Lyon said the most important thing we have going for us in New London is the remarkable group of employees.

Mr. Morrissey said that everything Mr. Lyon said has a degree of validity; there is no question that we have a great set of employees. He said this morning he heard people who are advocates for employees but there are no advocates here for the taxpayers who pay the bills. He looks at the benefit packages here and sees in some cases the total benefit portion approaches 50% of salary. Those benefits are tax free and he does not know to what degree it is considered that up to 50% of their pay packages is tax free, and there are people in this town who are taxpayers who are living on very small amounts of money and COLAs are not being paid in 2010 and 2011. He asked the Selectmen how they would feel if they were getting a check for \$1200 and Town employees are going to get not only a COLA but some also on a selected basis a 1% increase. It's a question of fairness to everybody, he said, not just to town employees but to taxpayers. He said he came here 15 years ago because it was a rural area and a great place to bring up kids, and they can't come back here to live because values have gone up and we have a very expensive "gold card" operation. He said it's great to have loyal employees but at some point you have to ask yourself how much we can really afford. Should there be a limit or will there be an endless series of taxes, he asked. He said that there has to be some degree of reason and from a political point of view it does not look fair to those who are not as fortunate as town employees. He urged the Selectmen to think more carefully about the signal they're sending; these are gold-plated packages.

Chair Helm said that the Board of Selectmen takes this responsibility extremely seriously and she has had a number of sleepless nights because this is not what she feels comfortable doing. They are trying to balance the needs of taxpayers and employees, and she encouraged conversation from townspeople and respects what they have to say but in the long run the Selectmen have to make a decision and live with it, and they won't make everyone happy. She assured Mr. Morrissey that the Selectmen do not take their responsibilities lightly and are trying to listen and provide the most equitable resolution.

Doug Lyon said the evidence is that they are doing an excellent job because healthcare costs are projected to go down for the Town next year, as is the tax rate.

Bill Green asked what percentage of the Town budget is the total compensation for employees. Ms. Levine said that it is roughly 50%. Mr. Green said there's not much question that the departments are good and employees are good and represent the Town well. The problem is if you take 50% of everything off the table, the question is how to manage the cost of the Town particularly in light of the economic environment. He said the wonderful feelings people have for employees is spot on, but if you make 50% of equation the focus point, how is the town going to manage costs when individuals have had to make significant sacrifices. He asked the Selectmen to look at our community, demographics and population, and the number of people who have retired and lost returns on their investments.

Chair Helm said that if the Selectmen make a change, they will be trying to save the town money and be sensitive to employees because they can't pull the rug out completely. Mr. Morrissey said they are not pulling the rug out; these plans are generous. He said we are living in uncertain times, with a \$1 million education tax bill and a multi-million dollar liability in Sunapee. The next year could show dramatic

change in Congress and the federal government will not continue to subsidize states and municipalities as it did in the past. Mr. Morrissey said there are “a hell of a lot of question marks” so the Selectmen should think about saving, not spending, and increase reserves, not the budget. He said this discussion of employee compensation is important because we have talented employees but their pay packages are not exactly skimpy. There are four people in the Highway Department whose pay averages \$99,000 apiece, and a large portion of their pay package in terms of benefits is tax free. He asked the Selectmen to have some sensitivity to another group of people, and that’s the taxpayers, particularly those in the lower end.

Dan Wolf said that it is important to be competitive within the peer set, and the peer set for New London may not be Hanover or Portsmouth but it is the seven towns of the School District and the 15 towns served by the Ausbon Sargent Land Preservation Trust, or the 20 towns served by the Visiting Nurse Association. He said the School District tried four years ago to make up for losing faculty members; it was losing 15 teachers a year to other districts. So they raised their salaries by over 22% in three years so they wouldn’t have that turnover, and that’s something that New London needs to think about. He said it may be great to get an employee in here for less, but that someone’s going to be in a \$100,000 dump truck. If New London is higher than Bradford, Newbury, or Sunapee then cut back. The School District set a goal of being in the 70th percentile. Also, he said, 50% of budget is employee costs, but don’t take tax savings on the back of dedicated people who can save you money in the long run. He asked the Selectmen to consider how money was spent on projects such as the Pleasant Street sidewalk or Elkins or purchasing the pond off Old Main Street, but said that in business there are two important things: employees and funding depreciation through reserves, and if you don’t put those two things at the forefront you will be out of business eventually. He encouraged the Selectmen to make sure they were competitive.

Mr. Bianchi said that the recent job opening in Highway Department had over 70 people apply from the surrounding communities. He can’t say that all 70 are qualified, but his point is that when we have a job opening, we’re not beating the bushes to have someone apply. He said that’s the indication he has that we are a desirable place to work. He added that the conversation has talked about dedicated employees; no one is criticizing the employees, but this is a money issue.

Doug Homan said the big picture discussion needs to be had, and there are a lot of good employees, some overpaid and some underpaid, but the Selectmen had an opportunity with a couple of people leaving to shrink the overall size of government and chose not to do that, and here we are trying to feed the same machine. He asked if the New London government was the right size for what we want? He said it has grown every year by 3-5% for the last 15 years for no other reason than we had all the growth in the Town and here we are. He asked if we needed all of the services we receive.

Mr. Kaplan said that he thinks we do. He recalled being at a budget meeting 12 years ago when someone proposed to save \$50,000 by eliminating third shift on the Police Department. No one thought that should be done, as we need the third shift. Mr. Homan said the Police Department can cut two employees and not lose the third shift. He said you only need five employees to maintain three shifts. Mr. Kaplan said the eight police officers are needed, and referred to the recent College event when the Police Department arrested 150 students and put them through the court system. He said put that problem somewhere else and we’d have 100 lawsuits, but our Police Department handled it well.

Chair Helm asked Chief Seastrand to comment. Chief Seastrand said that he is aware of Mr. Homan’s opinion and it’s important that everyone have the opportunity to express theirs. Chair Helm said that in the case of the vacancy in the DPW, the Board of Selectmen had a conversation with Richard Lee as to why that position needed to be filled, and he convinced them that it was necessary.

Mr. Markoff said that he had read Mr. Morrissey's letter and shares his sentiments around being able to read the budget, though he does not agree with his conclusions. Mr. Markoff went out a few years ago with the support of the Economic Development Committee and rearranged the data to how he is used to seeing it in business. He said that the Town's portion of total bill we pay was 34 cents on the dollar 20 years ago, and is now 29 cents. The County portion has gone from 12 cents to 19 cents of every dollar, which means that since 1988, the total has gone from \$569,000 to over \$3 million in 2008, which is money that leaks out of the Town of New London for the prison system & Medicaid, and nothing comes back. That is a \$2.5 million increase in 20 years. Mr. Markoff said the state figure for donor towns goes out of our pocket and nothing comes back in. He said that in terms of the \$2.7 million of wages, if we were to slash it 10%, that's only \$270,000, and that doesn't even come close to what the State is asking us to pay for teachers' retirement benefits just for the next 12 months. There's a larger phenomenon and it does not live with the employees even if we held them by the neck and told them to save money. He said this is not solvable just by cutting or it would be easily done. Mr. Markoff said he ran into Governor Lynch at the Warner Fall Foliage Festival and talked to him about the costs being pushed onto the towns, and the Governor actually asked Mr. Markoff what ideas he had. Mr. Markoff said that we all need to make our voices louder in Concord. This is a large strategic issue and as a representative on the School Board, he sees the expenses that are coming to the school for healthcare, and retirement alone is another \$700,000. He said the School District had a zero line increase on an operating basis, but the budget is still going up. He is just trying to create a larger context for this conversation and said there is no silver bullet; this will not be solved by one person and one ideology.

Mr. Bianchi asked if the conversation could return to healthcare. He would like to see the cost of other plans, such as the two-tier plan, with deductibles. He would like to see the Town's portion of healthcare costs decrease. Mr. Markoff asked if he had a number in mind. Mr. Bianchi said he is leaning towards employees paying a higher deductible and a higher percentage of the premium. He asked Ms. Levine to bring back the updated costs of the Blue Choice plans with deductibles. Ms. Levine said she can do that but cautioned that all of the Blue Choice plans are going to be higher than the HMO plans because point-of-service plans are always higher than HMOs. She added that the Selectmen should consider offering two choices to employees so that they can choose to remain on a more expensive plan at their own expense.

Chair Helm said that she feels comfortable that Ms. Levine has reviewed all of the options. Chair Helm said she thinks that we can move to the HMO plan with the deductible for 2011 but does not want to increase the employees' share when they are already freezing some salaries. She said the Selectmen need to look at the changes in benefits in two stages.

Mr. Bianchi said that if we increase the employee contribution to the two-tier plan as shown in Ms. Levine's spreadsheet, it would be an increase of 4% increase to employees. Mr. Markoff asked how much that represented and Ms. Levine said it was a \$900 increase for employees on the family plan. Mr. Lyon said that is effectively a pay cut. Mr. Markoff said that if the cost share can't be scaled for high end or low end workers, then it is even more problematic. Mr. Lyon said that it's one thing to freeze pay and another to make them go backwards.

Doug Homan asked what the Board of Selectmen's goal was in setting the budget. Mr. Kaplan said the Selectmen asked Ms. Levine and the Department Heads to bring in the operating budget no higher than 2%, and the proposed budget that came back was 1.9%. That included salary adjustments that represented 1.3% of the salary budget. Mr. Bianchi said that a majority of the Board wanted 2%, and the recommendation did not include the capital budget because it was in the hands of the CIP Committee at the time.

Mr. Homan said that in the worst economic times of his lifetime, the Board of Selectmen is still going to grow the overall size of the government. Chair Helm said that the Selectmen are putting together an 18-month budget and it was the feeling of the majority of the Board of Selectmen that to have a zero increase was not reasonable and she couldn't buy into that.

Mr. Morrissey asked what about the capital improvement budget. Ms. Levine said that there was a 13.2% increase in deposits to capital reserves, which partly made up for cuts from the previous year. Mr. Morrissey said he can't believe we are talking about a 2% increase to the operating budget and not including the overall budget. He asked when we talk about the overall budget and if it is voted on all at once or in compartments. Mr. Bianchi said the whole budget will be presented to the Budget Committee on November 15 and the Budget Committee will continue to work on it. Chair Helm said it will one comprehensive budget and the Budget Committee will have a number of work sessions.

Ms. Levine said the budget including capital improvements is a 2.7% overall increase because the 13.2% is not even ten percent of total budget. Chair Helm said the Selectmen have not seen the CIP budget and when they do, it will be on the agenda. Ms. Levine said it will be part of the next meeting.

Bill Green said that a few years ago there was the change in the sewer operation and the Town took it over, and he recalled that the Town had engaged the services of a consultant to do a study. He asked if the Board had ever considered a study for all of the Town services and capital reserve amounts. Ms. Levine said that it is a great idea but would be costly. She said she would be giving the Selectmen a proposal this morning for a study on ambulance service, and that study alone was \$20,000. She estimated that a cost for a town-wide study would be at least \$75,000. Bill Green said we should compare our department costs to other towns. Ms. Levine said that had been done recently for Police, Fire, and the Department of Public Works, and all are in line if not better. Mr. Green said that we may be in the 60th percentile for pay but he understands that our total budget is 6th out of the 51 comparable towns.

Mr. Homan said that the only thing he wants to say about these studies is that we inflate the population of New London by 25% by including the College kids who have very little impact on Town services. He said we should use the population of the full-time residents in the Town because we are not a town of 3000-6000 but we are a town of 2000-4000. Chair Helm asked if we should discount the snowbirds as well. Mr. Homan said in some towns that holds water and in other towns it does not.

Mr. Markoff said that Sunapee has a population of 3300 and their total budget is \$5.8 million, and New London's budget is \$6.06 million and that's a \$150,000 difference. He said we are on par with Sunapee and he thinks that's appropriate. Mr. Kaplan said that we have a population of 4,400 people including about 700 kids from the College, and even 3700 people is within the range. He said we should rank higher because we have both a College and a Hospital.

Mr. Lyon disagreed that the College should be eliminated from the conversation because it is the largest taxpayers in New London and presumably receives services for their tax payment.

DJ Lavoie asked to refer to what Dan Wolf said earlier about comparing School District and contiguous towns in terms of health care plan, and she wondered if that would be an appropriate thing to do. Ms. Levine said she could do that again. She asked if Ms. Levine had looked at the high deductible health savings plans. Ms. Levine said that she had, but it would be an immediate and large shifting of costs to employees.

Mr. Markoff asked Mr. Lyon how the College handles insurance. Mr. Lyon said the College is self-insured so the College does not pay a premium to provide the plans. He offered to get the details to Mr. Markoff and the Town.

Chair Helm said the Town will try to collect more information from other businesses in town and that's going to be challenging because it may not always compare apples to apples. Mr. Markoff said it would be a good reference point.

Ms. Levine said that she thinks she is hearing three things to bring back to the Selectmen: 1) a survey of health insurance provided by area businesses; 2) a similar survey of contiguous towns; and 3) the costs of other plans with deductibles, including Blue Choice. Chair Helm asked her not to spend too much time on further comparisons, as the Selectmen already have some of that information.

Chair Helm said the next Selectmen's meeting will be on November 1 at 6:00 PM, and suggested scheduling another work session before the November 15 presentation to the Budget Committee.

Janet Kidder said that with all due respect to the way town government is run, she thinks it can be streamlined. Even though we do things well, we can do things better, and she said there isn't a budget that can't be cut 10%. She doesn't get the sense from this Board that they are looking at streamlining and running the Town more efficiently.

The Board of Selectmen added a work session on Friday, October 29 at 8:30 AM. Mr. Bianchi said there will be three more meetings before the Selectmen present the budget to the Budget Committee.

New London Ambulance: Ms. Levine distributed a letter from New London Hospital delivered on October 15, 2010, asking for an increase in the ambulance contribution from \$93,000 to \$132,637, more than a 40% increase. The Board of Selectmen will review this letter before the next meeting. Ms. Levine also handed out a draft proposal from Municipal Resources, Inc., to study ambulance services on a regional basis. She has shared this with Bruce King, who has said that the Hospital may be interested in sharing the cost of this study with the area towns. Ms. Levine briefly explained how the Hospital calculates what it charges back to the Town.

Mr. Morrissey asked if there are any other surprises. Ms. Levine said that this was one of the unknowns that she had listed in her budget presentation on October 4, so while the figure was a surprise, the fact that the Town had not yet received it was not.

Meeting Minutes: Mr. Kaplan move to approve the minutes of October 4, seconded by Chair Helm. On page 8, Mr. Bianchi asked to insert the words "per year" for gallons on average. No further discussion and minutes were approved 3-0.

Mr. Kaplan move to approve the non-public minutes from October 4, second by Mr. Bianchi. There was no discussion and the minutes were approved 3-0.

Mr. Bianchi moved to approve the Citizen's Advisory Committee minutes of October 9, second by Mr. Kaplan. There was no discussion and the minutes were approved 3-0.

Whipple Hall Projects: Ms. Levine said that there were two projects at Whipple Town Hall. One she has already authorized and that was to have Dana Davis paint in the display boxes with the interior of the Town Hall. That way they will at least look good until something is done with them.

The second project relates to window cleaning, which was raised by Mr. Bianchi during the September elections. Mr. Bianchi said he had brought it up because it was a beautiful day and the room was beautiful but the windows were filthy. Ms. Levine said the windows had not been cleaned because of the expense. She referred to the two bids, and the one to properly remove and clean the storm windows was \$9000. Chair Helm recommended getting a bid from a company from Franklin and she gave Ms. Levine the information. Mr. Bianchi suggested looking at the building budget at the end of the year and encumber for the spring if there are funds left over. The Board of Selectmen tabled the discussion.

OLD BUSINESS

HAM Radio MOU: Chair Helm said that the only concern she had with the agreement to place the HAM radio equipment at the Fire Station was with respect to interference, and she thought that was adequately covered in section G. Ms. Levine said the Board of Firewards has approved the concept. Mr. Kaplan move to approve the Memorandum of Understanding between Town and Sullivan County Amateur Radio Group, seconded by Mr. Bianchi. There was no discussion and the motion passed approved 3-0.

TOWN ADMINISTRATOR REPORT

Statistical Update: Ms. Levine said that Assessor Norm Bernaiche will file the MS-1 by the end of next week, and she anticipates that the Town will be able to set its tax rate during the first week of November. Mr. Bernaiche is reviewing the hearing properties and making site visits this week, and has more hearings scheduled for October 21. Chair Helm asked if Mr. Bernaiche planned to return to the Selectmen to report on any substantial changes that arose from the hearings. Mr. Kaplan suggested that he just do a final written summary of the project, and all agreed that would suffice. Mr. Kaplan said the update affects a lot of citizens and the Selectmen should know what's going on

Fastroads Broadband Project: Ms. Levine gave a brief update about the Fastroads broadband project and said it was the subject of this week's From the Desk column.

COMMITTEE REPORTS

Planning Board: Mr. Bianchi reported that the Planning Board went over the CIP and there was a little discussion. Ms. Levine said that they approved the CIP but asked to update some of the tables with bond interest rates and other bond-related information. On the Community Facilities chapter, Mr. Bianchi said there was general consensus from the Chair that he likes to cut verbiage. Mr. Bianchi reported that there is an elderly housing project in Newbury and there is a potential for impact on water runoff into the big lake, which makes it a regional planning issue. The New London Planning Board will send a letter standing behind the Newbury Planning Board to hire a separate engineer to make sure there is no an impact on runoff into the lake. Ms. Levine said that Fred Downey was also part of the conversation on the Master Plan discussion and he encouraged the Planning Board to make a greater reference to the community center concept.

UPCOMING MEETINGS

Joint Boards of Selectmen: 7:00 PM on Wednesday, October 27 at 7:00 PM in Warner. All three Selectmen can attend.

Sewer Meeting: 5:30 PM on October 28 in Sunapee. Discussion regarding the subcommittee idea to work on the phasing plan. Ms. Levine said that Sunapee seems resistant at this point. Mr. Kaplan said that he wants know more about the equipment that was purchased that is not in the long-range plan. Ms. Levine

asked for direction from the Selectmen, and they were in agreement to send an e-mail/letter to the Sunapee Commission saying how we would like to proceed.

OTHER BUSINESS

Fiscal Year Transition: Jim Wheeler said that he would like to see if we can get the Budget Committee, Board of Selectmen, Town Administrator and Department Heads together sooner rather than later to go over the transition to the fiscal year. He's heard a lot of comments left and right from people who know it's coming and are trying to figure out whether they're going to have to pay more taxes. He has not met a single person who can put their arms around it. No one, including the people downstairs in the Town Office, know whether it's going to cost the taxpayers an extra payment or not over the course of a calendar year. Mr. Wheeler said education was supposed to start a month ago. Ms. Levine said that education started more than a month ago; she has written two columns on it and included it in the presentation to the Board of Selectmen on October 4. She was also planning to do an overview in the tax bill mailer. However, she is concerned about doing too much education before the budget is finalized because the final numbers will affect what she tells people to have on hand for taxes.

Mr. Wheeler said that he wants to add a work session for everyone to come together on it. Chair Helm said that she hopes to be on top of this for their meeting on November 15 and suggested putting it on the Board of Selectmen agenda that morning.

Ms. Levine reminded everyone that there are five months before Town Meeting is going to vote on this, and that there is ample time to do more education. Mr. Wheeler said that he wants one more presentation and is inclined to add it to the November 15 Budget Committee meeting. He will think about it and let everyone know.

NON-PUBLIC

Chair Helm said that the Selectmen need to go back into non-public session pursuant to RSA 91-A:3 II to discuss personnel matters, litigation, and legal advice received from counsel. Mr. Kaplan moved to go into non-public session, seconded by Mr. Bianchi. Roll call vote: Bianchi- yes; Helm – yes; Kaplan – yes.

Board of Selectmen returned to public session at 11:45 and signed the documents below.

SIGNATURES

Application for Building Permit:

- Amendment/Extension – Josh Whipple, 519 County Road (Map & Lot 082-034-000) continue renovations, replace windows & siding – Permit #09-057 – Approved.
- P. Damian & Lynn Petry, 132 King Hill Road (Map & Lot 122-017-000) build barn – Permit #10-112 – Approved.
- Mark & Rowena Wilks, Wallula Road (Map & Lot 033-016-007) build new 3 bedroom home – Permit #10-113 – Approved.
- Barbara Troxell Trust, 357 Forest Acres Road (Map & Lot 118-020-000) interior renovations – Permit #10-114 – Approved.
- Theodore S. Bacon, 552 Lakeshore Road (Map & Lot 050-009-000) renovate cottage & refurbish garage – Permit #10-115 – Approved.

Application for use of Ausbon Sargent Common & Bandstand:

- 2011 Bandstand summer concert program – Fridays – 6:30pm-8:00pm – 6/10 through 9/26 (minus Garden club function & hospital days) Approved.

Application for use of Syd Crook conference room:

- AIL – Artists Group, Fridays 10/22-12/10 – 1:30-3:30 – Approved.

Application for Sign Permit:

- Permanent sign: From House Too Home, Suite 103 276 Newport Road (Map & Lot 059-015-103) Approved.
- Permanent sign: Hole in the Fence Café, 420 Main Street, (Map & Lot 85-044-000) Approved.
- Temporary sign: First Baptist Church, Holiday Fair – 11/20/2010 – Approved.
- Temporary sign: First Baptist Church, Rummage Sale – 10/23/2010 – Approved.
- Temporary sign; St. Andrews Church, Holiday Fair – 12/4/2010 – Approved.

Other:

- Disbursement voucher for October 18, 2010.
- Sewer Betterment, Edmunds Road, Property Tax 1st levy - \$5,800.00.
- Poll notification of hours notice – Approved.
- Warrant Yield Tax Levy – Brian Kane, 271 Burnt Hill Road, \$18.00 – Approved.
- EECBG Contracts with Atlantic Energy for lighting replace – Approved

Respectfully submitted,

Jessie W. Levine
Town Administrator