



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES November 1, 2010

PRESENT:

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

OTHERS PRESENT:

Doug Baxter, New London Resident
Kathy Bianchi, Budget Committee Member
Bob Bowers, Library Trustee
Ben Cushing, Budget Committee Member
Rob Daley, New London Resident
Steve Ensign, Board of Firewards
Bill Fellerman, New London Resident
Bill Green, New London Resident
Renate Kannler, New London Resident
Bob & DJ Lavoie, New London Residents
Dick Leach, New London Resident
Anne Loeffler, New London Resident
Bob Meck, Budget Committee Member
Barry Morrissey, New London Resident
Leigh Morse, New London Resident
Hank Otto, New London Resident

Nick Ourusoff, New London Resident
Paul Roberts, New London Resident
Tom Scully, New London Resident
Janet Sidmore, New London Resident
Steve Sidmore, New London Resident
W. Michael Todd, New London Resident
Mark Vernon, New London Resident
Jim Wheeler, Budget Committee Chair
Chad Denning, Recreation Director
Linda Hardy, Town Clerk/Tax Collector
Linda Jackman, Administrative Assistant
Richard Lee, Director of Public Works
Sandra Licks, Library Director
Jay Lyon, Fire Chief
Dave Seastrand, Chief of Police
Peter Stanley, Zoning Administrator

Chair Helm called the meeting to order at 6:00 PM, and said that after the first item on the agenda, they would move to the discussion of the tax rate and the budget.

Flags on Main Street: Chair Helm invited Dick Leach to take the floor. Mr. Leach reported that everyone seems to like the new flags on Main Street, but that they seem to be getting tangled up. He said that his initial intention coming to this meeting was as to ask for assistance from the Department of Public Works, but he has now had support from area businesses to “adopt a flag” to make sure they are hanging properly. He suggested putting them all at 90 degrees instead of 45 degrees to keep them from tangling. Mr. Leach commented that TDS Telecom has been phenomenal in this effort. He added that the flags would be coming down November 11 and improvements can be made next year. The Selectmen thanked Mr. Leach for his attention to the flags.

Tax Rate: Ms. Levine reported that she had an appointment with the Department of Revenue Administration (DRA) to set the tax rate the following day. She referred to a spreadsheet that she had prepared that projected the total tax rate, broken down into the town, county, and school property tax rates. Ms. Levine said that for the Town tax rate, the original rate they had projected for Town Meeting was 4.35, and this went down to 4.24 following the recent revaluation. However, following the informal

hearings they lost some of the value that had been picked up, so the revised projection is now 4.27 per \$1000 of property value.

Ms. Levine referred to a table that showed how surplus could be used to lower the tax rate. However, she cautioned against using too much of this surplus, as it may come in useful in 2012 with the increased education tax and with the transition to the 18-month budget. Ms. Levine said that if surplus is held for next year, it could have a greater impact on keeping the tax rate down.

Mr. Kaplan said that if they used some surplus, they could bring the rate down below what it was the last year. He said he believed they ought to use enough of the surplus to get the tax rate below \$4.00 per \$1000. He suggested using \$300,000, which would leave \$652,000 in the surplus account. Ms. Levine said that would be enough for cash flow purposes, but she said that New London will have a \$1 million statewide property tax increase next year, as well as the 18-month budget to pay for. She thought \$300,000 was too much to use this year.

Chair Helm recommended using \$250,000 which brought them below last year's tax rate of \$4.04. Mr. Bianchi said he agreed with Mr. Kaplan about using \$300,000. Chair Helm said she was comfortable with their suggestion.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Mark Kaplan) to use \$300,000 of surplus to offset the tax rate. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Helm explained that the tax rate would now be \$3.99. Ms. Levine said that the total new rate would be approximately \$14.27 after some tweaking by the State, which compares to \$15.07 last year.

Mr. Bianchi explained to those present that the next step was for Ms. Levine to talk to an auditor from the DRA to go over what the Town did last year, to go over revenues and what they have spent, and then they calculate the tax rate. Ms. Levine added that they will know the tax rates by the end of the following day and that the tax bills should go out at the end of the week. These new tax bills will represent the new property values, with any adjustments they received after coming in to talk to Norm Bernaiche, Town Assessor. Chair Helm said that with regards to abatements, taxpayers should pay their property tax and then they have until March 1 to file for abatement.

Bill Fellerman asked if there were any big expenses coming down the pike that they may need the surplus for. He said it didn't make sense to save a few pennies on the tax rate when they could use that surplus to pay for something that was coming up. Mr. Kaplan said the sewer project is coming up and will be about \$5.2 million. The tax rate doesn't really do anything with this and they will need a very large bond to be approved at Town Meeting to do the work. Mr. Bianchi said that with the school donor town situation coming up, it could add \$1 million to what the town has to pay. Mr. Kaplan said that right now is a good time to lower the tax rate to give slight relief. Chair Helm said that a couple of pennies one way or another isn't going to address the needs of the sewer bond. She added that they have received a letter of deficiency for Pleasant Lake dam and are in the process of getting estimates for repair.

Ms. Levine said that she and Mr. Kaplan have the same philosophical debate about the use of surplus every year. She recommends saving surplus for cash flow and Mr. Kaplan feels – rightly so – that it is the taxpayer's money and should be returned to them. She said there is no right or wrong answer, but just a difference of opinion.

Mr. Lavoie asked if the tax rate of \$14.87 had the donor tax included, and Ms. Levine said it did not, as it would show up on the November 2011 tax rate. Mr. Kaplan added that there is proposed legislation to

allow cities and towns to anticipate the statewide property tax increase by collecting half of the increase in the first billing to spread out the impact. In other words, since New London is faced with raising \$1 million in November, instead of it all being raised at once they could raise some of the money in their June bills. They anticipate a \$1 increase to the tax rate due to this tax.

Chair Helm appreciated Mr. Fellerman's vantage point and she said they are trying to be as equitable and fair to the taxpayers as possible, and even the smallest amount will be helpful to some in town.

Barry Morrissey said that if push came to shove with regards to the sewer bond, they could try a bank loan or an anticipation note. Ms. Levine said they would float a municipal bond but not a short term loan. She said that the Town has borrowed from local banks many times in the past. With this project, the best option is a 25% grant from the State, which would require them to borrow the balance of funds from the State Revolving Loan Fund as part of the grant. If they don't get this grant, they will have to get a loan from a local bank. Mr. Morrissey asked what the maximum was that they've ever borrowed from a local bank. Ms. Levine said they have never borrowed this much in the past, but their last four bonds have been local and their experience with local banks has been positive.

It was asked about the possible use of TARP money. Ms. Levine said that the grant they were denied this year was ARRA funds. The stimulus money did create an influx of cash into the State program, which is the 25% grant that they do qualify for. Chair Helm said they've had 100% success with the State grants and added that the upgrade wastewater treatment plant has to happen as they are living on borrowed time. They'd rather be proactive and do it their way than have the state come in and make New London pay the bill.

Mr. Lavoie asked if the \$5 million estimate for the wastewater plant was based on getting the 25% grant. Ms. Levine said that the \$5 million is before applying the grant.

Budget Update: Chair Helm asked for an update on the budget. Ms. Levine referenced a handout that included changes since the October 4, 2010 presentation of the budget. The net changes, even with the increase in the New London Hospital request and the Pleasant Lake dam engineering, they still have a net reduction of about \$88,000. Chair Helm said they have not addressed the ambulance and will hold off until representatives from the Hospital can join the Selectmen at their November 15 meeting.

Ms. Levine said in the budget presentation she had listed unknowns and items that had not been included in the first draft. The day of the presentation they found out some details that would impact the budget, both negatively and positively. Those changes are reflected in the handout. Late last week, the Town Planner had resigned, so she met this morning with Zoning Administrator Peter Stanley and Planning Board chair Tom Cottrill to talk about how to reallocate work and use planner time differently. They cut \$10,000 out of the budget by doing this. In addition, Ms. Levine recommended purchasing the new filling cabinet out of the Planning Board's unspent budget from this year.

Mr. Bianchi said they have already discussed some of these changes, but have not gone through the rest of the budget as of yet. He said they will discuss the Capital Improvements Plan (CIP) tonight, and they will go through the budget line items before presenting it to the Budget Committee.

Mr. Morrissey asked if they raise \$5 million by a bond in March or April, why not include 12 months of interest in the budget. Ms. Levine said that the first bond payment is usually not due until the year following the bond issue. Mr. Morrissey asked about the possibility of mandatory quarterly interest payments. Ms. Levine said that they usually negotiate the bond payment schedule into their contract.

Mr. Bianchi said they met with the Sunapee Sewer Commission and the two boards have gone back and forth on how to pay for the plant and how best to present it to the towns. They have to do it together and both towns have to agree to do it. Sunapee pays much less, as they use less of the facility. They have to present it to the town whether they do it all at once or in phases. Mr. Bianchi shared that it looked like they were going to try to go for the whole thing and try to impress upon the town that they have no option. The best case scenario is that they will be spending just \$3 million. He explained that they weren't going to put all their eggs in one basket as they did last year when they didn't get the 35% grant. They hope to present the need for funding in a logical, fiscally sound manner so people in town can vote for it. They can't budget it until they get some figures and the engineers can get them some hard figures. Mr. Bianchi said it looks like the project, one year later, will cost roughly the same as it did last year. Chair Helm said they are trying to put a lot of pressure on the engineers to cut the bells and whistles and cut costs.

Leigh Morse asked if the bond was just to pay for the treatment plant in the Town of Sunapee or if it had to do with any pipes or pumps within New London. Mr. Kaplan said that it is just for the treatment plant.

Rob Daley asked how much more expensive it would be if the State mandated the repairs to the plant. Ms. Levine said that the 2008 estimate of the project was \$7.5 million, and that estimate went up to \$9 million in 2012. She said that without even including potential fines or other requirements from the State, inflation alone drives up the cost of postponing the project. In addition, they would likely lose the 25% grant. Mr. Daley said they should present it to the town in this manner that they could pay \$3 million now or risk paying a lot more later if found deficient by the State. Mr. Bianchi said they are going to do everything they can to show this as a logical step that needs to be taken.

Mr. Lavoie asked if the planner would be replaced. Ms. Levine said that he would, but not at the same level as before. Mr. Stanley will sit down with the Upper Valley Lake Sunapee Regional Planning Commission to map out a contract with them. They have agreed they will use them strategically rather than having them come to every meeting. Ms. Levine said that in addition, the Master Plan fund has significant money remaining to pay the RPC.

Capital Improvement Program: Ms. Levine stated that the Planning Board had approved the CIP with changes to what is shown in certain tables, but the funding and projects were left as they were recommended by the CIP Subcommittee. She referred to the CIP report dated September 9, 2009, and in particular the bottom of page 11, which starts the description of this year's draft of the CIP.

Moving onto the tables that contain the financial information, Ms. Levine said that Table 7-8 represents the Wastewater Capital Reserve Fund. When they started the fund in 2006 and have \$20,000 going in each year. In 2011, they want to spend \$85,000 on repairs to the pump station on Frothingham Road; they had hoped for a grant to offset the cost but did not get it (it is the same grant that funded the Sunapee project, which is a higher priority). Mr. Bianchi asked if the proposal was to put \$20,000 in the fund and to then spend \$85,000 of it. Ms. Levine affirmed this. Mr. Bianchi noted that they would have enough money to pay for the \$85,000 in 2011 without putting any more money in. Ms. Levine said that this was true but that they need to raise subsequent deposits so the fund was not negative in 2016. She said they have had this discussion in the past on whether to keep the fund level or let the money run out. Mr. Bianchi's point was that if they don't fund it in 2011 it would leave a balance of \$22,000 in the fund.

Mr. Bianchi shared that there were other things included in the fund, including a new garage in 2013. There was \$30,000 planned for the garage, and the Recreation Department has money aside for a combined garage in the amount of \$50,000. He recommended holding off on depositing next year to see if the Recreation Department's \$50,000 could be put towards this garage. Ms. Levine said that the amount

from the Recreation Department was an estimate and included the Bucklin Beach repairs of the bath house. It was suggested during the CIP Subcommittee meeting to add a bay to the Sewer Department's garage for Recreation Department storage. Ms. Levine said it probably wouldn't be \$80,000 for the garage but \$30,000 from the Wastewater Department was appropriate for that department.

Mr. Bianchi didn't think they should build the garage at all, as he felt it was something they could do without. Jim Wheeler, Chair of the Budget Committee, said he was on the CIP Subcommittee and toured the wastewater facility twice. After their visits were complete, the majority of the committee members determined that the current garage was in good shape but did need two new doors. The cement slab and trusses were good. They also noticed that there seemed to be room to the left of the garage where a two-bay garage, such as a pre-fab from Lavalleys, could be built. This could provide plenty of storage space for the Recreation Department, which is a real need. The expense of doing it this way seems to be a lot less than they anticipated and could be done for as little as \$20,000. Mr. Wheeler stated that they should have another garage but didn't need to tear down and re-build the one that was already there. Mr. Lee agreed with Mr. Wheeler and added that originally, he didn't envision having two buildings in that area, side by side. He noted that the 3-bay garage they were considering was also a Lavalleys pre-fab and the estimate was \$30,000. They decided that if there are new doors on the existing garage the Recreation Department could use it. He explained that many materials that are not put under cover become ruined and unusable if left outside, so they really do need more space undercover.

Chair Helm felt comfortable with the CIP's recommendation on this. There was no reason to have a subcommittee do this sort of research if the Board of Selectmen questions every decision they make. She added that there may be some items in the CIP they feel less strongly about but it seems that they did their research on this.

Ms. Levine said that the CIP Subcommittee will revisit and refine that expense for 2013. She did not think it made sense to "bag" the project at this time without an opportunity to discuss it further. Mr. Bianchi said they should defer the \$20,000 this year and it would still give enough for the sewer's "Muffin Monsters." Mr. Kaplan suggested that in 2011 they expend \$85,000 for pump repairs.

Mr. Bianchi said his philosophy is that no capital reserve fund should keep a large running balance. Mr. Kaplan took the opposite stand; he said that New London has put money aside for many years to do a lot of the major work that is needed in town. If they run the balances down they won't have the money to do the work, but they will have the needs, just the same. They will have to go to Town Meeting and ask for more money. In Mr. Kaplan's opinion, that type of program won't work. People will find a reason to say no because the town will be asking for a lot of money all at once. He specified that the CIP program's intent is to put a little away every year into the accounts so that when projects come up they have the funds available.

Ms. Lavoie asked for clarification of what garages were going to be built and how the \$50,000 from the Recreation Department would fit in. Ms. Levine said that the recreation portion was both a projection of an expense to add a bay to a garage, but also to address some upgrades needed at Bucklin Beach. Mr. Wheeler said the original proposal from the Sewer Department was to tear down the current two-bay and replace it with new three-bay garage, which would cost \$30,000. Upon inspection they found that the two-bay garage is fine and just needed new doors. They can build an additional two-bay for less and that will accommodate the Recreation Department's needs.

Mr. Bianchi said that he was all for capital reserves, but that a \$30,000 expenditure was not what he considers to be a capital expenditure in a \$6-7 million dollar budget. He agreed that it was useful for purchasing large items, such as highway and fire trucks, and understands they can't spend \$800,000 in

one year without causing a blip in the tax rate. He felt they should let the people decide how much to spend. Ms. Levine said that every year people get a chance to decide this. She added that every year the CIP Subcommittee discusses the definition of capital item, and for the past few years it has been anything over \$10,000 or worth 1 cent on the tax rate, with a life expectancy of at least three years..

Mr. Morrissey asked what the CIP budget as presented does to the overall increase in the total budget. Ms. Levine said that as far as deposits into capital reserves, it was estimated to be a 13.2% increase from \$423,000 last year to \$478,000 this year. All of the capital projects are only for 12 months; there are no capital projects budgeted for the six-month transition period. Mr. Morrissey asked if they put all the programs together and compared them with last year's budget, what was the incremental increase as compared with the previous 12 months. Ms. Levine stated that it was 11.4%, which included capital spending out of existing capital reserve funds, and also included the Library's \$350,000 bond. Mr. Morrissey said that doesn't include dam repairs, the educational tax, and the prospect of something going wrong with the financing of a \$5 million loan. He asked if the Hospital's expenses were included in the projection and Ms. Levine said they were not, as that projection was calculated before the Hospital had requested additional funds. Mr. Morrissey asked when they would get the overall picture of the budget impact. Ms. Levine said that the statewide property tax impact is not included in the Town's budget impact, and the remaining budget projections will continue to be made available as the Selectmen and Budget Committee work on the budget. Chair Helm said they are trying to work toward what he is asking for.

Mr. Kaplan referred to Table 2, which showed the deposits into capital reserves. They deposited \$754,000 in 2008, and in 2009 they cut it to \$423,000, and in 2010 it was \$428,000. The proposal for 2011 is \$478,000, which is up \$50,000. He pointed out that they were nowhere near where it was in 2008, 2007, and 2006. They have brought deposits into the CIP down by hundreds of thousands of dollars. Mr. Kaplan felt that this was a danger; buildings were falling down and equipment is failing. Chair Helm said that it perhaps isn't a danger, but that they are leveling things out. She agreed that setting money aside in a CIP was important.

Bill Green asked what the total amount in the Capital Reserve accounts were. Ms. Levine estimated that it was about \$4 million but added that the funds are not interchangeable; each fund is for a specific purpose. Mr. Morrissey asked if they could make the funds interchangeable at Town Meeting. Ms. Levine said they could not, as it was State law that when capital reserve funds are established, the purpose of the fund must be stated and the money can only be used for that purpose. Ms. Levine said that the idea of the capital reserve is to put away money for future use. This spreads the impact over ten years so they are consistent each year and people don't have a fluctuation in their tax rate; \$20,000 per year over 10 years will be the same as \$0 one year and \$40,000 the next, yet \$20,000 per year keeps the tax rate consistent. Mr. Bianchi said that they spend \$200,000 out of the operating budget for paving roads each year. Ms. Levine agreed and said that this was the same every year, so it is already evened out.

Ms. Levine said that Tables 9-10 covered Highway Equipment and noted that the subcommittee recommended combining the existing Highway Equipment Replacement Fund and the New Equipment Fund. Even combining both funds and adding to the purpose of the Highway Equipment Fund, the required deposit still went down from last year's projection. Ms. Levine said that Richard Lee had recommended four changes with respect to Highway Equipment replacement that will save the Town over \$200,000 over the next 10 years within the Highway Department. These are: extend the replacement year on the two one-ton trucks by one year; extend the replacement year on the trash tractor by two years; extend the DPW pickup by one year; and spend up to \$35,000 (out of operating budget) for repairs to the

grader, which allows it to be bumped another 7 years before replacement. This year's request is to spend \$153,000 out of the fund for a replacement dump truck. No new equipment is being requested this year.

Mr. Bianchi said that the expenditure is the cost of purchasing a new truck and does not show the value of the trade-in. He thinks they should put in a net figure for the vehicles. He said he has no problem replacing the trucks but thinks the CAT loader (replaced at 10 years) and the backhoe (15 years) could be kept longer. He questioned the 7% inflation rate added to the table. Ms. Levine said that the projected inflation has been accurate; the dump truck to be purchased in 2011 was projected at \$140,000 and has increased to \$153,000. She added that they do not include the trade-in value in the budget because they don't know what condition the truck will be in when it is traded in. In addition, the trucks are actually sold through surplus bids, in which case the money goes into the general fund as revenue. If they do a trade-in, the money stays in the capital reserve fund. Either way, Ms. Levine said, the tax payer benefits. If it comes in as revenue it offsets the tax rate, and if the money stays in the fund it could reduce the deposit the following year. Mr. Lee said that with the truck replaced this year, the dealer offered \$4,500 on trade-in and they were able to sell it themselves for \$11,000.

Mr. Bianchi asked how many trucks and plow routes we currently have. Mr. Lee explained that there are five big trucks and two 1-tons for plowing. Ms. Levine said the trucks spending their entire lives under the garage will be up for replacement after 12 years instead of replacement in ten years. There are only two trucks left on the ten-year replacement cycle.

Ms. Levine said that Table 11 is the new capital reserve fund recommended to be created for repairs to the old highway garage, which is attached to the DPW office, and to replace the sand/salt shed in 2018. The estimate from Bruss Construction was \$107,000. Mr. Lee believed about \$20,000 of the work could be done by Public Works, so the CIP schedule calls for spending \$85,000 in 2013.

Ms. Levine said that Tables 12 and 13 cover the Police Cruiser Replacement Program. The 2006 Cruiser was supposed to be replaced last year. They bumped out that and the 2007 cruiser by one year. Because they cut the funding to this fund last year they have to appropriate more to make that purchase and meet appropriations schedule. She noted that there is nothing to buy in 2013.

Mr. Bianchi handed out a new table that he had created himself in which he proposed an alternative way of funding the replacement of police cruisers. The expenditure for 2011 would be \$25,000 and then there would be nine deposits for \$30,000. The money would be used to appropriate each year for cruisers, instead of putting in and spending the same amount each year. He suggested to "bag" the capital reserve for cruisers and buy one cruiser every year and it would have no effect on this year's deposit. He suggested deferring the cruiser for one more year, which he was aware would require more maintenance. The next eight years, nothing would be put into capital reserves and they would buy one cruiser every year.

Ms. Levine said that Chief Seastrand would probably like to buy a cruiser every year, but that is not what they do. They buy a cruiser each year for two years, have a one year gap where no cruiser is purchased, and then continue with two more years of purchasing one cruiser, followed by a one year gap. She said that Mr. Bianchi's proposal actually replaces the cruisers more frequently than they currently do. As far as deferring this year's cruiser, she said it has already been deferred a year, and it has just come out of the shop for a \$1,500 repair. They spent \$4,000 to keep the 2006 cruiser going for its additional year. She does not think the 2007 cruiser would make it through a fifth year.

Mr. Bianchi said that at Town Meeting every year, the Selectmen say to the taxpayers that if they pay "X" out of capital reserves, it does nothing to the tax rate. He felt this was bogus, as it may not do anything to

the tax rate *that* year, but it has affected the rate in previous years. Mr. Bianchi felt they should let the people decide what they need at Town Meeting. He noted that the balances in the capital reserves were high.

Ms. Levine said that the alternative would be, for example, in the highway fund in 2015 to spend no money and then in 2016 spend \$400,000. If they save it little by little, they ease it in rather than asking the taxpayers to pay \$400,000 in one year. Mr. Daley said that he would hope that the Selectmen would instill this to the department heads. He said that he is uneducated about the line items being discussed but feels that these people are being good custodians of their money. He believes it would be challenging to have a volatile tax rate, as people would not be able to plan ahead to pay their taxes. He said that when he knows a large bill is coming up, he puts away a little bit at a time so that the money is there when he needs to pay for it. Chair Helm thanked Mr. Daley for his comments and agreed with him. Mr. Bianchi said he was all for the capital reserve program for big items, but when it comes to smaller items, he feels they should get rid of the accounts. If they put in the same and take it out every year it doesn't help them one way or another.

Ms. Levine said that Tables 14-15, which used to be for Police Equipment, were eliminated. Ms. Levine said that they were closing the fund and returning the majority to the general fund and setting aside a portion in case of equipment failure in dispatch. Mr. Bianchi noted that they could close any account at Town Meeting and the money could go into another account by through a warrant article.

Ms. Levine said that Tables 16 & 16a are the schedules for replacement of fire apparatus and refurbishment. In the past there was one fund and it was not defined that the funds could be spent on refurbishment. There was \$117,000 deposited into the fund last year, and it has been lowered to \$100,000. For refurbishment, for the first three years \$12,000 will be deposited. The net result is a \$5,000 per year reduction over the prior year's deposits. The replacement schedule includes a ladder truck in 2012, which is after July 1, 2012.

Mr. Morrissey asked Chief Lyon if the Fire Department always buy new equipment. Chief Lyon said they have in the past. The height of the current station and the apparatus that is now being constructed has given them cause to perhaps look into older models. The height of the vehicles has increased so much that most of the apparatus will be 11' 8", and they have an 11' door. They have four specs out to get a concrete idea for funding. Chief Lyon said that generally they figure on the price of apparatus doubling every 10 years. He summarized that he would not be adverse to purchasing used equipment if the reliability was there.

Table 16b is for Self-Contained Breathing Apparatus (SCBA) for the Fire Department. Ms. Levine said they are hoping to win a grant when the time comes to replace the equipment. Chief Lyon said that the grant comes from Homeland Security. In the past they won a \$36,000 grant for the cascade system (to fill air packs off-site) that saved the Town money. They also won a \$32,000 grant for the purpose of personal fire protection equipment. If they don't receive a grant for the SCBA, the projected cost to replace the equipment is \$155,000.

Table 17 outlines the Library's bond. Ms. Levine said that construction for the Library is estimated at \$370,000. The point of the table is to show that the first year would be bonded, which would pay for the majority of the necessary maintenance work at the Library. The remainder of the bond can be used for contingency as repairs come up, which seems to happen at the Library. Ms. Levine said the Library was a "poster child" for not putting money away for these types of repairs. Mr. Bianchi said that looking at the table, it was a "poster child" for spending just about the same as what is being taken out each year. Ms. Levine said that actually more money is being deposited than spent because they have never put enough

money into the Library's fund to take care things that come up and the problems that compound when the issues aren't taken care of quickly.

Table 18 is being eliminated. Ms. Levine said that it was the table for computer replacements and that the CIP Subcommittee said that these expenses should come out of Library's operating budget. There was a remaining balance of \$500 in the fund that will be returned to the general fund.

Table 19 is the Gravel Road Program. Chair Helm felt this item should be deferred. Ms. Levine said that it has been deferred for a couple of years, and if the Selectmen did not want to continue the program, they should expect to hear from residents on Rowell Hill Road and Ridge Road who may want to voice their objections. Chair Helm said that as important as it may be for those on those roads to have them paved, they moved there when they were gravel and need to think in a broader sense of the rest of the town. Ms. Levine said the request for paving isn't only driven by those who live on the roads, but also for maintenance and safety issues.

Chair Helm asked if there were any roads that should be paved due to particular safety issues. Ms. Levine said that safety, ease of maintenance, and winter maintenance were all factors in deciding whether and when to pave a road. Mr. Lee added that when a road is isolated and not paved, they have to send out a different truck to treat that gravel road differently in order for the treatment to be effective. He went on to share that Rowell Hill and Ridge Roads have about 8-10 homes in New London, while 40+ residents live in Sutton. He said the cars get stuck on the up hill as it gets icy, making it hard to get out. Those roads were put on the list for safety reasons; freezing rain on a gravel road is difficult, as they can sand once and then have to do it again in ten minutes. If they defer these roads again, Mr. Lee was certain that they will get some phone calls from residents. He said he understood where they were coming from, but gravel roads promise three things: ice in the winter, pot holes in the summer, and dust. Mr. Lee said that now the Town no longer accepts gravel roads, such as those that may be in a new subdivision; they must be paved and paved to specifications.

Ms. Levine added that if they don't proactively follow a schedule for the paving, they will get petitions at Town Meeting. If the petitions are approved, the Town will have to pave the road immediately and will not have budgeted to prep the roads.

Mr. Fellerman asked if pavers were looking for work and if they could possibly get the work done at a lower cost at present time. Mr. Lee said the price this year is the same as last. The gas price goes up and then the asphalt does as well. Mr. Lee said if they had done these roads when he had originally proposed years ago, they would all be done now and would have paid \$40/ton instead of \$65/ton for asphalt. Mr. Fellerman said it would make sense to put money in to the reserve. Ms. Levine said they looked at bonding for the gravel roads program, which would cost the same as the capital reserve program over the years, but it would call for all the roads to be prepped and paved in three years, which was not possible.

Mr. Wheeler said last year they took money out of the gravel roads program and deferred the two roads for one year. They realized that they'd have to put more money in this year if people wanted to have them paved. He had some discussion of the merit of the whole program on the whole issue of looking at the costs to the town and setting priorities. He wondered if it was comparable to such things as the library. He didn't feel it was a top priority regardless of the complaints. They did talk with Mr. Lee on the cost/benefit analysis. If it is cheaper to care for a paved road, then they should pave it.

Mr. Bianchi, Mr. Kaplan and Chair Helm felt the program should be put on hold. Chair Helm said this isn't priority #1, not to say they are insensitive to the need, but that was how she felt. The Selectmen agreed these funds should be removed from the budget.

Table 20 covers the Recreation Facilities fund. Ms. Levine said they are not recommending anything for 2011 and will revisit the storage issue and Bucklin Beach repairs in 2012.

Table 21 covers the sidewalk capital reserve fund. In 2010 they deposited \$10,000. Ms. Levine said that they recommend depositing \$20,000 in the 2011 budget and that they will budget to spend out of the fund in the 2012 match for the Elkins grant. Mr. Bianchi asked about the Pleasant Street sidewalk, and Ms. Levine said the engineering money has been deducted from this fund but the construction will be paid for by the grant. She stated that they can't build it this year as it is too late in the season, and they still have not received approval of the final plans from the State.

Table 22 is a new fund for Town Building Maintenance. One thing they want to do is to take some money out of the FEMA funds to build closet in the Syd Crook Conference Room where the room divider is stored. They also want to replace the cell doors in the Police Station, repair the cupola at the Town Office, and repair the generator at the Police Station. She would like to keep funding this because issues keep coming up. In 2013 they would like to sprinker the Town Office building, which should have been done when the building was renovated in 2000. She said there is a separate table for the GIS parcel update, which aims is to fix the misalignment in the tax maps that don't align with the actual boundaries of properties. A quote received for this work is \$65,000. They want to do the project in 2013 and save for it for the next three years.

Table 23 reflects all the deposits into the funds. If they eliminate the \$55,000 they will be down to \$442,000. Mr. Bianchi asked if this was what would be presented to the Budget Committee. Ms. Levine answered in the affirmative. Ms. Levine said that the tables shows that there is also \$5,000 going into the Bridge Repair fund, \$5,000 for the Transfer Station Improvement fund and \$25,000 for the Land Acquisition Fund. Chair Helm said that \$25,000 for the Conservation fund in this year's budget was voted in at Town Meeting as a separate article.

Mr. Wheeler said if they felt it prudent to not fund the Conservation Commission's funding in the CIP for this year or any year, history tells them that they just bring a petition warrant article. He was thinking of a strategy where they would ask the Conservation Commission to come to one of their meetings to withdraw their request so it comes from them, rather than from the Budget Committee. It seemed better than taking it to zero and then having it come in at Town Meeting. Chair Helm said that there was a message in the vote last year, but she agreed that it couldn't hurt to try a different strategy.

Mr. Wheeler said that regarding the discussion of the CIP having no impact on the tax rate, they could add the words "a no vote on this warrant article would cause "\$X" to be returned to the general fund." Ms. Levine said that couldn't be done from the floor. It would have to stay in the CIP for that year unless there was a warrant article closing the fund.

Moving on from the CIP, Chair Helm said she felt uncomfortable discussing the ambulance knowing that the representatives from the Hospital were coming to the November 15 meeting. Ms. Levine said she had a conversation with the ambulance and that has initiated discussion with other towns that would be impacted if the ambulance no longer offered service. They have discussed doing a regional study of options in that event. They are presently working on a date to meet with various towns. Ms. Levine noted that she has received a call from the Eagle Tribune about the topic so it may appear in the paper at some point in the near future.

Dispatch Fees: Ms. Levine said that the towns that use the dispatch services pay 38% of the dispatch budget. Their share is calculated based on calls for service. Because their budget hasn't changed that much and calls for service hasn't changed significantly, there is about a \$200 more revenue to the Town

projected for 2011. Ms. Levine referred to a spreadsheet showing the proposed dispatch fees for 2011 and asked the Selectmen to act on the proposal.

IT WAS MOVED (Mark Kaplan) AND SECONDED (Peter Bianchi) to accept the schedule as outlined in proposed dispatch fees for 2011. THE MOTION WAS APPROVED UNANIMOUSLY.

Minutes of October 18, 2010: IT WAS MOVED (Mark Kaplan) AND SECONDED (Tina Helm) to approve the minutes of October 18, 2010, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Amendments brought forth were:

- Page 5, paragraph 2 – 7th line down...ask how they would “you” to be omitted.
- Page 7, paragraph 2 – 2nd sentence...he would like to see “the” town’s portion of healthcare costs.
- Page 7, paragraph 1 – change “number” to “dollar.”
- Page 2 bottom, second to last line. Ms. should be Mr.

Road Acceptance Request: Ms. Levine referred to the attached letter from Peter Blakeman referencing the Westside Drive and Snow Lane Roads and beginning the process for road acceptance. She said that attached to the request she has attached case law, the Town’s acceptance process, and a portion of the Hard Road to Travel explaining how roads are accepted. She said it is the Board of Selectmen’s choice to add another road to the Town’s routes. Mr. Lee said that there is still work to be done on the roads, such as putting on the top coat on the roads. In a memo he prepared, he said the paver should not put the top coat on now as it is too cold, and that they would not accept the road unless the top coat was on. After a brief discussion the Board of Selectmen decided to wait on this issue. Mr. Lee said he would provide a copy of his memo to relay the information about the road. Ms. Levine said that there can’t be a denial until they hold a public hearing and said she would draft a letter to Mr. Snow on the status of his request.

Request for Electronic Sign at Colonial Plaza: Ms. Levine said she received a request from a business at Colonial Plaza for the Town to display its electronic sign to advertise an event at the plaza. She said that in the past they have used the electronic sign to advertise town-wide events like voting and the start of the school year, and it has always run radar at the same time. Last year they had it around the Information Booth for holiday announcements. Businesses at Colonial want to use the sign to highlight an event they are planning to do. Ms. Levine said they want to put the sign at Exit 12. She was uneasy about having it placed so far from Town. She has asked for a written request but has not received it yet. Mr. Kaplan said they should wait to get a written request. Ms. Levine said she could try to get the letter for the November 15 meeting.

Winter Carnival, NE Ski Joring Assoc: Ms. Levine said that the Northeast Ski Joring Association is applying to use the Town Common again for their event. They repeated their signage request of having banners advertising the winter carnival and the sponsors. They were approved last year and hung banners and it was not an issue. Last year at the last minute, one of the sponsors asked to have his trucks parked on the Common, and his request came after the signage plan was approved so instead he parked in legal parking spaces on Main Street. This year he asked ahead of time to have two trucks parked on the Common during the weekend and he would use the bucket loader prior to move the snow and would like to leave it on site as sponsor advertising.

Ms. Levine noted that the event would be held during the January 29-30 weekend. Chair Helm asked about the other sponsors. Mr. Denning said that there were a lot of sponsors involved in the entire weekend. The Ski Joring sponsors were just for the skijoring but the banners would be up for the

weekend. Ms. Levine said it is a non-profit event. They seek the sponsors because they pay for the awards and costs. She said that she has mixed feelings about the request because having the trucks on the Common takes away from the overall event, but if they deny the request, the sponsor will park legally on Main Street, which will take spaces away from public parking spaces. One of the vehicles has a trailer and he gave away hot drinks during the event. Mr. Kaplan said that once a year didn't matter to him. If they didn't do things like this in New London the winter will be long and dreary. Ms. Levine said that they could allow him to park for the days of the event, rather than overnight. Mr. Lee said that it was fine for one truck, but what happens when they get 20 sponsors the next year? Would they all get to park there? Mr. Bianchi said he didn't have a problem having one truck parked on the Common for the days of the event but he would still like to have added to a future agenda item the use of the Town Common.

Wind Turbine: Ms. Levine said that for two years, the College has been talking about their interest in a wind turbine on campus. They re-approached her two weeks ago to pull together a meeting with representatives from the College, the Town, and the Hospital, about a turbine that could provide power for the larger organizations in Town. Ms. Levine said that it is an initiative at this time and said no definite date for the meeting was agreed upon yet. Chair Helm said she would like to go to the meeting. Ms. Levine said she would keep them posted.

Sub Grantee Agreement with Kearsarge: Ms. Levine said that the Town is receiving the EECBG grant for upgrades to the school buildings, but that the District is the entity that is spending the money. Therefore, there needs to be an agreement between the town and the district. Mr. Bianchi's concern was that it was great for the School District but wanted to make sure it wouldn't sap a lot of Ms. Levine's time dealing with the administration of the grant. Ms. Levine said that she is spending only about four hours per month on it now so it wasn't too time consuming. The grants are being administered by Shelly Hadfield, which is the contract the Selectmen approved a few months ago.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Mark Kaplan) to authorize Tina Helm to sign the sub-grantee agreement with the school district. THE MOTION WAS APPROVED UNANIMOUSLY.

FEMA Funds: Ms. Levine referenced a memo from Emergency Management Committee requesting to spend FEMA funds received following the wind storm in March 2010. They eliminated a \$3,995 request for an emergency operations system upon Peter Berthiaume's recommendation. Ms. Levine noted that the Syd Crook Conference Room is the emergency operation center in the event of a major emergency. They are requesting to take out the partition and put in a closet to store EOC materials, as well as the portable TV. The estimate she put in for was \$2,500 and she thought it was high, but Bruss Construction gave an estimate of \$3,500. The Selectmen asked her to seek lower prices for the work.

Ms. Levine explained that 5-watt portable radios they are requesting could be used for a number of purposes. They use a different frequency than is used by emergency services and can be used for Hospital Days, races that Mr. Denning does with volunteers out on a course, or emergency events. The radios would stay at the Fire Station to be maintained.

Ms. Levine said there would need to be a public hearing to accept and expend the FEMA funds. She would like to notice a public hearing for those purposes. The Selectmen agreed.

Skate Park: Mr. Wheeler said the SAU had proposed a new location for the skate park. About two months ago he got a call from the committee charged by KRSD about what to do with the old SAU building. They asked him to look at the site as they didn't know what to do with it and thought perhaps the skateboard park would be interested. They looked at it a couple times with Chad Denning and it looked good initially -- the cellar hole could support a "bowl" to skate in. They met with School Board Chair Dan

Wolf, who made a proposal to offer the property in exchange for the skatepark paying to tearing down the building, which was an expense of about \$30,000. Mr. Wheeler didn't think it was a good idea and said that upon later study, there was not sufficient pitch to get water out of a bowl and send it to a storm drain. He sensed some resistance to having skaters that close to the road, as well. Mr. Wheeler said he wrote an email to Mr. Wolf and thanked him for considering the space but that they would like to go with the previously-identified site next to the elementary school. Ms. Levine said that they will still need to go to Town Meeting. She asked if the School District was giving them the option to choose between the two sites. Mr. Wheeler said that it wasn't mentioned. Once they have a design they would begin fundraising. They would be getting conceptual reviews for free. If it passes at Town Meeting in March, he feels they are good to start fundraising.

Ms. Levine said that Kevin Johnson (Principal of Kearsarge Elementary School) was reluctant to have the park open during the school day in the spot near the elementary school. Mr. Wheeler said that it would be open in the spring, summer and fall and only in the daylight. There was no Site Plan Review required because it was a Town lease, but they plan to go through the Planning Board process. The site they want has abutter approval and no residential abutters. There would be a kick-out clause if the funds were not raised.

Snow Fence at Bucklin Beach: Ms. Levine said that the State of New Hampshire Department of Transportation wants to put up snow fence on Bucklin Beach, as it would prevent snow blowing onto route 114 from Little Lake Sunapee. Mr. Lee said there used to be a snow fence out on the water. Ms. Levine said that it needed the Board of Selectmen's blessing. The State DOT will be responsible for putting it up and taking it down. The Board of Selectmen agreed that this was okay to do.

Committee Reports:

Coalition Communities: Mr. Kaplan said he went to a Coalition Communities Forum, run by Pat Remick. She gave examples of how unfair the statewide property tax was. Larger cities like Manchester & Nashua are using most of the money. They have factories, large companies, stadiums, etc. and could easily raise the money they need without going to the small towns. Possible solutions are to attempt to continue the collar, or to see an attempt made to pass a constitutional amendment to target the aid. The amount of money required would be far less if this targeting was done. In order to put it on a ballot, they need 60% of the State House and the State Senate. They will then need a 2/3 vote on a statewide referendum. Or, they could let the state collect the statewide prop tax itself. By doing this, the state would submit a bill to everyone and the taxpayers would realize how much is being paid to the state. Maybe there would be some movement by the taxpayers. Mr. Kaplan said there were about 50-60 people at the meeting and that there were several legislatures there as well.

Joint Boards of Selectmen: Chair Helm said that they arrived late but didn't seem to miss much. Mr. Bianchi felt the School Board presentation was not well-received. They are asking for \$80,000 to re-do a reading program for k-5 across all the elementary schools.

Election, Tuesday, Nov 2: Mr. Kaplan, Mr. Bianchi and Chair Helm would be taking turns at the polls.

LSPA Planning Board on January 4: The LSPA will meet with the Board of Selectmen, Mr. Lee, Ms. Levine and the Planning Board regarding the watershed. They want to do the same for all towns on the lake as they want to have towns adopt uniform regulations. Ms. Levine said that this is part of the LSPA grant from the National Oceanic and Atmosphere Administration (NOAA).

Planning Board: Mr. Bianchi said they discussed two tree-cutting requests, four possible zoning amendments coming up in March, and came up with a revised meeting schedule; they will meet just two more times for the rest of the year. Town Planner Ken McWilliams announced he was leaving. Projects coming up in the near future were the cell tower, workforce housing project, and a Harry Snow subdivision.

Sewer Connection: Ms. Levine said that the engineer has approved the engineering plans for tapping into the sewer at Jobs Creek Road. She attached an agreement with the property owners that Town Counsel had reviewed. Ed Rushbrook said that the escrow deposit the owners made for \$2,500 was not enough to cover the services that he has been asked to provide on this project. Ms. Levine said that she has asked the property owners to stop using New London's engineer on their behalf. Chair Helm said Ms. Levine had their support on this matter. Ms. Levine asked the Board of Selectmen to approve the agreement with the property owners, which they did.

Application for Building Permit:

- Amendment – David & Susan Reeves, 39 Sargent Road (Map & Lot 086-004-000) replace kitchen window – Permit #10-094 – Approved.
- Burton & Vickie Eisenberg, 76 Ponds Edge Lane (Map & Lot 106-013-004) dining room addition – Permit #10-116 – Approved.
- David & Michael Livingston, 490 Otterville Road (Map & Lot 042-006-000) rebuild deck – Permit #10-117 – Approved.
- King Solomon's Masonic Association, 453 Elkins Road (Map & Lot 077-023-000) replace roof with metal roof – Permit #10-118 – Approved.
- Anne Boisvert, 70 Parkside Road (Map & Lot 073-010-000) replace roof with metal roof & add roof over back entry – Permit #10-119 – Approved.
- Malcolm Wain, 408 Sugarhouse Road (Map & Lot 034-015-000) pouring of 3 concrete slabs – Permit #10-120 – Approved.
- Chet Reynolds, 153 Seamans Road (Map & Lot 085-024-000) solar thermal water system – Permit #10-121 – Approved.
- A. Lyman Chapin, 41 Porcupine Ridge (Map & Lot 035-014-000) addition to existing deck – Permit #10-122 – Approved.

Application for use of Clark Lookout:

- Austin & Robinson wedding – June 25, 2011 4:00 PM – approved.

Application for Sign Permits:

- Our Lady of Fatima Church, 75 Main St. 2 signs 1 at church – 1 at information booth – Holiday Fair – Saturday 11/13/2010 – 9AM – 2PM – Approved.
- First Baptist Church, 461 Main Street, 2 signs 1 at info booth – 1 at NLOC – Understanding Bullying – 11/17 @ 7:00 PM – Approved.
- First Baptist Church, 461 Main Street, 2 signs 1 at info booth – 1 at church – Best Christmas Pageant Ever – 12/11 & 12/2010 – Approved.
- Permanent Sign: Peter & Rachel Ensign, Craft Gallery @ Studio, 207 Main Street (Map & Lot 073-080-000) Approved.

Application for use of Sydney Crook Conference room:

- Adventures in Learning – Spring 2011 classes – Tuesdays (AM & PM) Wednesdays (PM) Thursdays (PM) Fridays (AM) starting April 12 ending May 20, 2011. – Approved.

- Rotary International, Ambassador Scholarship Committee, Saturday June 11, 2011 – 8:00 AM – 1:00 PM – Approved.

Application for use of the Town Common:

- Colby Sawyer College – cross country team road race finish place 8/20/2011 7:00AM – 1:00PM – Approved.

Application for use of Whipple Memorial Town Hall:

- New London Recreation – water color classes – Tuesdays & Wednesdays 11/16-12/8 1:00 PM – 4:30 PM – Approved
- New London Recreation – Tiger Mountain Shotokan Karate – every Wednesday – 6:00 PM – 8:00 PM – Approved.

Application for Raffle:

- Colby Sawyer Athletics raffle month of November – Approved.

Tax Abatements:

- High Pine Lane Association (Map & Lot 044-005, 009 & 015-000) in the amount of \$4,073.43 – they are common lots and should not have been billed. – Approved.
- Checkerberry Lane Landowner Association (Map & Lot 044-023 & 044-028-000) in the amount of \$707.53 – they are common lots and should not have been billed – Approved.

Other items to be signed:

- Disbursement voucher and payroll for November 1, 2010.
- Underwood Engineers, Master Contract for Professional Engineering Services Agreement for Ruedig Project

IT WAS MOVED (Tina Helm) AND SECONDED (Mark Kaplan) to adjourn the Board of Selectmen meeting of November 1, 2010. THE MOTION WAS APPROVED UNANIMOUSLY. Meeting adjourned at 9:16pm

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London