



TOWN OF NEW LONDON, NEW HAMPSHIRE

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BOARD OF SELECTMEN MEETING MINUTES February 4, 2013

PRESENT:

Selectmen
Peter Bianchi, Chair
Tina Helm, Selectman
Janet Kidder, Selectman
Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

ALSO PRESENT:

Jim Wheeler, Budget Committee Chair
Bill Green, Budget Committee Member
Renate Kannler, New London Resident
Doug MacMichael, New London Resident

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

Chair Bianchi began by noting that the Board of Selectmen would consider issuing a formal proclamation thanking and congratulating former Police Detective Chris Currier on his retirement. Chris began his service to the Town of New London in 1990 and was promoted to Detective in 1998, becoming the Town's first Detective. He was instrumental in establishing the requirements of that position that continue to be followed today.

IT WAS MOVED (Tina Helm) AND SECONDED (Janet Kidder) to sign the proclamation congratulating Chris Currier on his retirement after 22 years of service in law enforcement. THE MOTION WAS APPROVED UNANIMOUSLY.

Jim Wheeler, Chair, Budget Committee

Mr. Wheeler asked for feedback on the document he and John Wilson came up ("*3 Year Projection of Probable Non-Discretionary Unbudgeted Town Expenses*") regarding future expenditures that the Town is facing. He began by noting that he wanted to correct the record to reflect that the memo estimates a 20% increase over three years when it is actually about 10%. He explained that the purpose of the document is to give everyone a better perspective on what the Town will likely be responsible for over the coming years. He cautioned that inflation could alter the estimates.

Ms. Helm asked how they came to feel that the grand list (taxable value of properties in the town) was not going to change at all. Mr. Wheeler said he thought the grand list could actually go down and gathered this information by looking at sales prices, which are below assessed

value. Unless a spurt of construction growth happened, this would cause the grand list to go down. He noted that the lake properties have typically gone up and sold for more than assessed value, which tended to even out the other properties in town, such as Hilltop Place. This has stopped happening and those properties are also selling for below assessed value.

Ms. Helm thought that recent building on Cottage Lane and at the college would add to the grand list. Mr. Wheeler agreed and noted that this would add to their efforts for remaining stable on the grand list. He added that the Town is experiencing slow growth due to the difficulty to get subdivision developments approved given the onerous regulations that must be observed by applicants.

Mr. Green said he looked at other towns of like size and compared their budgets to see where New London rates. He found that New London's budget size was within the top 5% of the other like towns. He suggested the Selectmen go online to look at these figures. To him, that is the real challenge of the Town. This happened over several years and is not any one person's fault, but now it is something they find themselves having to maintain. He noted that buyers are looking into the total cost of ownership and taxes weigh in on their decisions.

Ms. Helm wondered why more money was not being put in reserves if Mr. Wheeler's study showed that the Town was not putting enough in to meet their needs in the future. Mr. Wheeler said that they may have to start putting more money into the reserves. He noted that if the Conservation Commission uses their Land Acquisition Fund to purchase property, the Town would need to re-fund the account. He added that the sewer lagoons need to be dealt with sooner than later, likely within four years not ten years as envisioned within the CIP. He felt that the Town is not putting enough money into the account now to get the work done. The rate of contribution would need to accelerate to get them cleaned out, so he added that issue to his list of 3 year expenses.

Ms. Helm thought they would be bonding the cost to repair the Pleasant Lake Dam. Mr. Wheeler agreed that this would probably be the method of raising the funds.

Ms. Helm asked about the ambulance cost as he had inflated the increase more than the 2% that was quoted by the hospital. Mr. Wheeler agreed that he had over-estimated the amount of increase the hospital was going to charge to the Town for the ambulance service so he would revise those figures.

Ms. Johnson noted that the retirement increase announced for FY2014 includes FY2015 as well; which means the rates are the same for both fiscal years.

Ms. Helm said she appreciated the efforts put forth by Mr. Wheeler and Dr. Wilson in doing the study but is concerned that the information is presented in a negative way. She noted that they can do things to keep the town attractive, and she believes the Board does need to plan ahead. She said there are things they could do going forward with healthcare to help the town's costs go down. She would like them to think in terms of envisioning how they could attract more people to the area so the grand list would be a better buffer over the expenses they have no control over.

She thought that this summer they should have a town-wide visioning session to get a sense of what people want, what they are willing to pay for or not, and believed input from the town residents is important. Mr. Wheeler wondered if they should take some form of the study and distribute it to the citizens via e-mail so they will understand where the Town is headed. Then the citizens can see the information and start talking about it. He was leery about calling a meeting to talk about the vision of the town as it was a bit of an exercise in futility, however putting actual projected numbers out to the public would start people thinking. Ms. Helm preferred a collaborative effort between the Budget Committee and Board of Selectmen to present the information to the citizens so it could be communicated in the best way. Mr. Wheeler opined that many taxpayers do not understand or are not even aware of these budgeting details and just know that their taxes go up. This information could help them understand what they are paying for.

Mr. Green said that half the town's budget has to do with personnel costs, which is a topic many people find uncomfortable discussing. It is such a huge percentage of the cost to the Town, they can't avoid the topic by taking it off the table.

Ms. Kannler said in light of what was going on outside of the town with the Federal Government and healthcare, she felt the public was bombarded with other taxes and healthcare and finding less money in their paychecks. She thought more people would come to budget meetings if they were better informed. Then, at Town Meeting, they would be more aware of what they were voting on.

Ms. Kidder wondered if Mr. Wheeler was suggesting a tax cap. Mr. Wheeler said that this was not his intention but that ultimately he felt that was the right path for the future; to have goals. In private industry when revenues are down, they compensate by cutting costs. In government, the tendency is to throw the deficit onto the taxpayers. He would prefer to see more of a corporate mentality.

Ms. Kidder wondered if it is Mr. Wheeler's intention to suggest to the Department Heads that they cut back on their staff. Mr. Green said that the Select Board would need to be on board with this if the Budget Committee addresses the issue. Ms. Kidder said that they needed the approval of the citizens to adopt such a policy. There was discussion of the preference shown by the citizens at last year's Town Meeting that there not be any vacancies in the police department. Ms. Kidder said that if they are suggesting this path, the Budget Committee will have to sell it to the citizens. At this point, Ms. Kidder said she did not see anything from anyone saying they were in favor of staff reductions. Mr. Green said they should put the information out to the people telling them that their taxes would be going up and that personnel costs were high.

Mr. Wheeler observed that special interest groups come to Town Meeting and give a vehement presentation in favor of their stance, which is then adopted by the voters present. He noted that this is how the system is supposed to work but felt that people need to be educated and better informed and encouraged to attend meetings going forward. He felt that if the Administration makes it clear to the Department Heads there are no plans to fire anyone as a way to reduce staff, but when an opportunity arises (an employee leaves), the policy should be that an attempt is made to try and continue on without filling the position, instead of automatically filling the

position. This should be done without sacrificing safety and the things that everyone in town wants and needs.

Chair Bianchi commented that the figures Mr. Wheeler had presented were estimates. He felt the sewer plant reconstruction was too high. Mr. Wheeler said that this number came from Ms. Johnson but noted that people can interpret the numbers differently. To him, the total increase over the next three years was not the salient point; the important fact was that there are fixed costs the Town has no control over and is responsible for.

Chair Bianchi said that the Budget Committee controls budgets and not policy. When they talk about the direction the Town and the Department Heads should have, it comes from the Board of Selectmen. They are the ones who would take the lead on policy regarding filling positions, not the Budget Committee. Mr. Wheeler agreed and felt the Town Administrator was the conduit between the Selectmen and the other boards and staff, and could carry the policy recommendation from the Selectmen from those boards. He reminded everyone that both the Selectmen and the Budget Committee had agreed not to fill the Police Department position but that Town Meeting voters overturned the decision. The Selectmen and Budget Committee were on the same page on that issue.

Mr. Green observed that a better approach might be to indicate to the citizens that they are going to have a hiring freeze until further notice due to high personnel costs to the town. He thought that might be more acceptable.

Mr. MacMichael said he has never seen it so tough in his life to run a business in Town and he has been at it for almost 30 years. He thanked the Selectmen for what they do and felt it was tough everywhere.

Mr. Wheeler suggested that a goal they could have is to take steps to ensure that New London's tax rate does not get significantly higher than that of Newbury and Sunapee as New London is always being compared to those towns. In 2008, New London's tax rate exceeded Newbury and Sunapee's for the first time. Now that the tax rate is higher in New London, as are house prices, it is discouraging people from coming to Town.

Ms. Helm said she got an email from their Representative, Karen Ebel, that day. She has presented a bill that would clarify that municipalities could borrow from the fund for maintenance and other things from a revolving fund, including dams. HB 428 is the bill to watch.

Mr. Green wondered why it costs over \$7 million dollars to run New London and in similar towns it is significantly lower. Chair Bianchi said he has done the same study and felt this was a valuable thing to look at.

Resignation of Recreation Commission Member Keith Pomkoski

Ms. Hallquist said that Mr. Pomkoski came in and spoke with her, noting that he had already informed the Recreation Commission of his wishes to resign. Chair Bianchi said that they need

to appoint a replacement. Ms. Kidder was willing to serve on the Commission for the rest of the term (2014). She would be a regular member, not an ex-officio.

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to appoint Janet Kidder to fill the vacant spot on the Recreation Commission vacated by Keith Pomkoski. THE MOTION WAS APPROVED UNANIMOUSLY.

Pending Old Business

Estimated Revenues

The Board reviewed estimated revenues as prepared by Ms. Johnson. This information must be included with the budget.

Sewer Meeting

Chair Bianchi noted that at the Joint sewer meeting last Thursday, the Board learned that there was a mistake made in the engineering for the bid documents and that the sewer project costs would have to absorb the increases that resulted. After some discussion with others, he discovered that companies such as Wright-Pierce have insurance to cover these kinds of omissions and errors. It is not clear if such insurance is available in this case.

Town Administrator's Report

Ms. Hallquist said they need to find new cleaners to clean the Academy Building, the Police Station/Whipple Hall and the Library. Goodwill has informed the Town that it is not making enough money on the Town account to continue. Request for proposals will be sent out.

Request for Funds

Ms. Hallquist said that Jeannie Plant has requested funds from the trust fund for the emergency animal shelter. Mrs. Plant would like to give \$300 to the Upper Valley Humane Society for the support they have provided the New London Emergency Animal Shelter.

IT WAS MOVED (Janet Kidder) AND SECONDED (Tina Helm) to approve the sum of \$300 from the Emergency Animal Shelter Trust Fund to be given to the Upper Valley Humane Society per request of Jeannie Plante. THE MOTION WAS APPROVED UNANIMOUSLY.

Memo Regarding Exit Interviews

Ms. Hallquist said she provided a memo to the Department Heads asking that formal exit interviews to be performed by the Department Heads when an employee gives his/her notice. The employee will also be interviewed by the Town Administrator and will be given the opportunity to meet with the Selectmen as well. This addresses concerns raised at a recent Citizen Advisory Committee (CAC) meeting where a discussion of employee turnover was held.

Review of Minutes

The Board reviewed the Minutes of January 22, 2013.

IT WAS MOVED (Tina Helm) AND SECONDED (Janet Kidder) to approve the minutes of January 22, 2013, as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Other Business

Ms. Kidder informed that Board that she was contacted by a resident who would like to establish a “Clean Up New London Day,” an annual event similar to the one Sunapee holds to clean up roadside trash. This issue will be investigated further to see if town oversight is required.

Nonpublic Session

Ms. Helm moved to enter non-public session pursuant to RSA 91-A:3, II(b), the hiring of a public employee and RSA 91-A:3, II(d), consideration of the acquisition, sale or lease of real property. Ms. Kidder seconded the motion. Roll call vote: Bianchi: yes; Helm: yes; Kidder: yes.

The Board entered nonpublic session at 7:35pm.

The Board re-entered the public session at 7:50pm.

Application for Building Permit:

Extension – Alan Mathewson, 495 Elkins Road (Map & Lot 078-001-000) due to financial reasons – Old Permit #11-063A – new permit #13-007 - Approved

Other Items to be signed:

- Disbursement voucher

IT WAS MOVED (Tina Helm) AND SECONDED (Janet Kidder) to adjourn the meeting. THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting adjourned at 8:00pm.

Respectfully submitted,

Kristy Heath, Recording Secretary
Town of New London