



TOWN OF NEW LONDON, NEW HAMPSHIRE

375 MAIN STREET • NEW LONDON, NH 03257 • WWW.NL-NH.COM

BOARD OF SELECTMEN MEETING MINUTES March 5, 2012

PRESENT:

Mark Kaplan, Chair, Board of Selectmen
Tina Helm, Selectman
Peter Bianchi, Selectman
Kimberly Hallquist, Town Administrator
Wendy Johnson, Finance Officer

ALSO PRESENT:

Norm Bernaiche, Chief Assessor
Janet Kidder, New London Resident
Merry Armentrout, *InterTown Record*
Richard Lee, DPW Director
Peter Stanley, Planning & Zoning Administrator
Jack Harrod, Energy Committee
Jay Boeri, PE
Leigh Bosse, *The Messenger*

Chair Kaplan called the meeting to order at 8:00am.

Norm Bernaiche: Chair Kaplan noted that Norm Bernaiche was there to give a presentation on an Equalization and Ratio Study. Mr. Bernaiche said that the Town completed a reevaluation in 2010. He reviewed some terminology that is used: *Weighted Mean Ratio* (considers high and low priced properties and the total weight of the value of the properties) and *Median Ratio* (the middle ratio, considering all properties). These ratios should be close. *Coefficient of Dispersion (COD)* measures how fair you are being to everyone – how well the assessors are doing. The further the sales appear above and below this figure, the higher the coefficient and dispersion will be. The State standard is 20 for a community like New London. The fewer the sales, the more difficult it is to measure this number.

For 2011 the most recent Weighted Mean Ratio is 100.5%. In 2010 it was 92.9% and in 2009 it was 92.6%. The state standard is that the ratio should fall between .90 and 1.10. The Median Ratio in 2011 was 1.07 in 2010 it was .961 and in 2009 it was .969. The state standard is that the ratio should fall between .90 and 1.10. The COD was 11% in 2010 and in 2009 it was 14.5%. Right now it is 13.1 and part of that is because 2011 was a trying year for the market with 80 sales. In 2010 they had 64 sales. In 2009 there were 50. There were more sales this year (2011) but he knows they have been trading at a lower price.

The Price Related Differential (PRD), they are above at 1.04. If all low-priced properties were assessed at 100% and selling for that amount, that number would always be 1.0 – which is perfect. Mr. Bernaiche referenced his February 28th memo which showed percentages of value per properties sold. He noted that the numbers make sense for the waterfront and residential properties, but the condominiums in town do not. These were over-represented in the total population, so the PRD was skewed. He noted that this has

always been a problem. Hilltop Condominiums affect how the assessments relate to the sale prices. He said that when people pass away and leave the condo to their heirs, many times these people live out of the area and don't want to own the condos and pay for their fees. They try and sell them for as little as they can to get rid of them.

Mr. Bernaiche said that some properties on Main Street haven't traded at the assessed values either. Another issue is that New London Shopping Center was traded and they had it assessed at about \$11.7 million and it traded at \$15.7 million. These properties sell based on their income generating stream. He noted that he is still working on where the property should be assessed, given the recent sales price. He has met with the people buying the plaza. If the buyers had done their due diligence they would have known that it was assessed at a lower amount than they paid. Mr. Bernaiche learned that there had been a lot of competition to purchase the shopping center, and felt its value would only go up. The property is unique because there is no competition within 15 miles, it has an elderly population centered around it, and so it becomes a magnet. The banks are close by, there is a pharmacy, a grocery store and a liquor store in the same small area, so proves to hold a captive audience.

Mr. Bianchi questioned if the assessors adjust the value of the shopping center by its recent sale price, wouldn't that be considered "sale chasing" which is something the assessors have indicated they would not do. Mr. Bernaiche agreed that "sale chasing" is not something that is done, however in this case, changing the value based on the sale price would not be considered "sale chasing" since the shopping center is its own neighborhood. The first time it changed hands, it traded at a higher amount and they didn't adjust the number. Now that it has sold again at an even higher rate, he feels that it is time to adjust the assessment. The shopping center can't be compared with any other shopping center in town and there is no competition. There are valid reasons to increase the assessment, and so he said they would do so and it would not be considered "sale chasing."

Mr. Bianchi was concerned that property values in town were decreasing, including areas like Hilltop and The Seasons. If property values in New London keep decreasing widespread, he was worried that it would decrease New London's grand list. Since 2008 the list has gone up by 1.5% and he feels that those increases cannot be counted on to continue.

Mr. Bernaiche said that what is most important is that things trend down equally. Then they can adjust things in the interim and not wait every five years. As an example, he noted that if the town's ratio was 105% and everything at Hilltop was trading at 105% then there would not be an issue of over or under assessment in relation to all properties. They have to look at all the neighborhoods and sub-categories to make sure they are trading at 100%.

Mr. Bianchi asked if they could change the assessed value of The Seasons the next year. Mr. Bernaiche said they were planning on doing it this year. Mr. Bianchi said that that The Season's units sell for two to four times as much as the units at Hilltop. He was concerned that these values would go down and they will not be able to assume an increase in the grand list. The only other alternative to make up for this is to raise the tax rate or cut spending.

Chair Kaplan said that the BOS have no control on whether the grand list goes up or down. It is up to the assessors to tell them how it looks and what the future looks to hold. Mr. Bianchi said every time they talk about budgets in the past, assumptions on increases of the grand list are used. He has never had any problem with this but can't remember the percentage of the grand list decreasing. He understood that sales control the grand list and wasn't criticizing Mr. Bernaiche but was concerned that if property values decrease, they are in danger of having their grand list decrease.

Mr. Bernaiche said this is consistent in other towns as well. He said that in 1988/89, the grand list did go down. The ratio went down. In the late 80's this happened but New London didn't do a reevaluation then and hadn't been doing them regularly.

Ms. Helm said to summarize, it seemed like Mr. Bernaiche was giving the Board of Selectmen a heads-up that things have changed, sales are down and he may have to make some adjustments. With regards to the grand list, over the next couple of years it is something the Board of Selectmen need to be vigilant about. The sales market, since 2008 has been so volatile, it has been hard to get consistent information. Mr. Bianchi said he agreed with Ms. Helm's sentiments but his concern was that in watching it, they don't all of a sudden set a tax rate at one rate and then have to increase the tax rate the next year because the grand list has gone down. He understood this was a regional and state-wide phenomenon and wasn't just happening in New London.

Mr. Bernaiche said that they take into consideration future sales in their values. They are aware of what is listed in town. They have to look at the asking prices of homes to calculate future values.

Mr. Bianchi asked if Mr. Bernaiche foresaw any substantial change in the grand list. Mr. Bernaiche said he didn't know that yet. If he said everything at The Season's was going to go down 10% and everything in Hilltop would go down 15%, it is still not a dollar for dollar percentage for the assessment. He would report back to the Board of Selectmen in the summer with more information. They will go and look at the building permits, which shows real growth and building. Then they look at the changes from any valuation issues. These get reported when they submit their MS1 in September.

Chair Kaplan said the college is planning some refurbishment of some buildings and wondered if the work had been started yet. Ms. Helm believed they were planning to begin the Ware Campus Center project before April 1st. Chair Kaplan was thinking about the residential space expansion in the basements of some of the halls. Ms. Helm believed in Abbey and Burpee Halls, the work had been started. Mr. Bernaiche said that if there is a permit for any building, then he is aware of what is going on and is taking the information into their equations.

IT WAS MOVED (Tina Helm) AND SECONDED (Peter Bianchi) to approve the minutes of February 21, 2012 (AM meeting), as circulated. THE MOTION WAS APPROVED UNANIMOUSLY.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to approve the minutes of February 21, 2012 (PM meeting), as amended. THE MOTION WAS APPROVED UNANIMOUSLY.

Corrections needed: Mark Kaplan should be listed as present, and the reference on page 3: "*\$20,000 is how much the town was responsible for*" should be changed to "20% is how much..."

Jay Boeri, PE: New London-Elkins Hydro Study.

Mr. Boeri met with the Board to present the Elkins Hydro Study that he was retained to complete. The study was funded 100% by a grant and the purpose was to study the hydroelectric potential of two town owned properties in Elkins: the Pleasant Lake Dam and the land at Scytheville Park. Mr. Boeri explained that much of the study results depends on the cost of electricity, which can change at any time, pointing out that the "market is fickle." However, given current and expected energy rates, he concluded that construction of a hydro facility in Elkins would lose money over the next 25 years. He stressed that generation of power at the site is possible; it's just not cost effective at this time, given the cost of electricity. Mr. Boeri noted that if there was an interest in "green energy" the town could construct the facility and subsidize the cost of producing the energy.

Mr. Boeri informed the Board that he was able to find much of the old power generating equipment (turbine and shaft extension in the wheel pit) from the Scytheville complex that was installed in the 1830's. He noted that this is important historical artifacts and he hoped that there would be no efforts to remove any of it. The Board noted that there were no plans to remove any of it and doubted that there would be plans to do so in the future.

Mr. Bianchi asked if Mr. Boeri was familiar with the town's current issues relating to the Pleasant Lake Dam. Mr. Boeri noted that he was familiar with it as the subject is of great interest to him. He advised the Board that the engineers should listen to what the town is saying as there are a lot of gray areas in terms of how to address the situation. He suggested that the Board be clear about what the town wants when working with the engineers. With regard to the state regulations currently at issue with the Pleasant Lake Dam classification, Mr. Boeri noted that if the town did decide to investigate power production the area, the dam would cease to be under the supervision of the State as it would be under the authority of FERC (Federal Energy Regulatory Commission) as it would be producing hydro power. Federal authority supersedes state in this area.

Jack Harrod noted that the study was to serve as a "pilot plan" for the entire state, and questioned whether this was in fact the case. Mr. Boeri agreed that he did consider that aspect as discussed in the final report. He pointed out that New Hampshire has invested the least amount in renewable energy and has not been too proactive in this regard. He noted that changes in legislation could change that, but the state is not there yet.

Peter Stanley observed that the site does have some potential for energy production down the road, and suggested that if a new building was added perhaps hydro power could service that building and be cost effective as it would be "off the grid." As such it is important to keep all of the existing infrastructure in place. Mr. Bianchi agreed and noted that the study touches upon this topic and that the site should be left as is. Mr. Boeri agreed and noted that if a new pump station is ever added to the area; hydro power would be an excellent choice.

The Board complimented Mr. Boeri on his efforts and for producing an interesting study and encouraged those present to read the report if they got a chance. The full report is posted on the town's website.

Richard Lee – DPW Director:

Mr. Lee informed the Board that he has received four proposals for the Lamson Lane work. The proposals are from \$11,500 to \$60,000. Mr. Bianchi will review the proposals and report back to the Board. Mr. Lee noted that this project does not have to go through the RFQ that the Elkins project did.

Mr. Lee informed the Board that he has received a letter of resignation from one of his employees, effective March 15th. Mr. Lee asked for permission to fill the position. He noted that the vacant position is a Maintenance I position and noted that he hopes to move the current sidewalk person to a one-ton truck and then hire a new entry level person, who will take-over the sidewalk plowing duties, to save money.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to authorize Richard Lee to fill the latest vacant position at the highway department. THE MOTION WAS APPROVED UNANIMOUSLY.

Old/Pending Business

Pleasant Lake Dam: The Board noted receipt of a letter from Wright-Pierce regarding the feasibility study for the Pleasant Lake Dam. Mr. Bianchi noted that when the time came to consider engineering firms, the Board should put the work out to bid. Mr. Lee observed that it will be important to first pin the State down to exactly what will be required for the dam modifications.

Mr. Bianchi noted that he felt it was important to have more than one person from the State Dam Bureau at the meeting with the Board of Selectmen and with Wright-Pierce. The meeting is scheduled for March 7th at 9:30 AM but because of scheduling conflicts, only one State Dam Bureau representative is able to make it. Ms. Helm asked if Mr. Lee felt it important to have more than one dam bureau member present at the meeting. Mr. Lee agreed that it was important as well as to have Wright-Pierce. The Board deferred further discussion of this topic until later in the meeting, when the issue came up on the agenda.

Sunapee Wastewater Treatment Plant Upgrade: The Board noted that Neil Cheseldine, Wright-Pierce, has informed them that UV disinfection system will not be allowed as a project cost in connection with the upgrade.

New Business:

Round-about signage: The Board received an email from Sarah Chapin suggesting that more signage is needed to direct motorists using the round-about. Ms. Chapin explained that she was in New London recently visiting family members and she noticed the round-about might benefit from more signs. The Board noted that there was a lot of discussion about signage at the time the round-about was being constructed and that the current signage was felt to be the best solution. They asked that Ms. Chapin be informed that the Board appreciated her input but at this time there would be no additional signage in that area.

CodeRED renewal: The Board discussed the CodeRED renewal contract for 2012. The amount of the contract, \$8,500 (zero increase over the previous year) is within the dispatching operating budget and the cost is shared by the other towns that get dispatching services from New London dispatching.

Town Administrator Report

Personnel Policy Review: The Board is scheduled to review the personnel policies at their next meeting, March 19th. Ms. Helm asked how the Board would approach the task. Mr. Bianchi suggested they go through the policy page-by-page and discuss areas that they would like to change. He suggested that they all go through the policy in advance and make notations as necessary,

Energy Committee: The Energy Committee is wondering what, if anything, the Board would like to do about any of the suggestions from the energy audit done on the town office building several months ago. The Board asked that the Energy Committee be invited in to discuss the matter further.

Tax rate for 2012 first quarterly payments: It has been determined that the tax rate to be used for the first two quarterly tax payments in 2012 should not be the \$5.86 (the 18 month budget) but instead should be based on the 12 month budget. Discussions are being held with the DRA to resolve this issue so that the town is not forced to send out two quarterly bills that are larger than they normally would be (the final two would be much lower, to make up for the overage of the first two). It was agreed that if a trip to Concord is necessary to resolve the issue then representatives will go. The Board agreed that it is important that the first two quarterly bills go out correctly, without the need for additional explanation to taxpayers about why it is higher than it should be.

Other Business

Mark Kaplan asked about the Coalition e-mail that was sent to Board members regarding a letter to be sent to the House Representatives regarding CACR12. If passed, this measure will put the question of school funding on the ballot for possible constitutional amendment, thus doing away with “donor towns.” The Board agreed that letters of support, as recommended by the Coalition, should be sent to Representative Kidder and Foose, informing them that the Board supported CACR12 and asking them to support it as well.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to send a letter on behalf of the Board urging the town’s Representatives (Dave Kidder and Randy Foose) to support the measure. THE MOTION WAS APPROVED UNANIMOUSLY.

Wendy Johnson discussed the Selectmen’s budget and changes that should be made. She explained that one area of changes needed is to the salary lines for employees that typically work holidays, mainly in the police department. She noted that those employees would be paid their salary, plus the holiday pay, which was not included in initial payroll estimates. She noted that transfer station salaries must also be increased as holiday pay was not included there.

In the area of health benefits, Ms. Johnson recommended that an additional amount be budgeted to cover any changes that might occur in employee plan coverages. As an example, if a single employee gets married, the increase to the two-person plan would need to be found in the budget.

IT WAS MOVED (Peter Bianchi) AND SECONDED (Tina Helm) to increase the budget line item 01-4155-100-210 by \$5,000 to cover these unanticipated changes in health care plans for all town departments, and not put increases in individual department line items. THE MOTION WAS APPROVED UNANIMOUSLY.

Chair Kaplan will explain these changes at the Budget Committee meeting later in the evening.

The Board continued the discussion of meeting with the State Dam Bureau and Wright-Pierce, scheduled for March 7th. The Board decided that it was in the town’s best interest to reschedule the meeting for when additional state dam bureau members could be present. The Board selected March 15th and 16th as possible new meeting dates. Once the meeting date is determined, it will be posted.

Application for Building Permits:

- John & Louise Chowanski – 1502 King Hill Road (Map & Lot 129-018-000) continuation of building barn – Permit # 10-017 EXTENSION – Approved.
- Dennis & Roberta Aufranc – 1200 Newport Road (Map & Lot 056-015-000) interior & exterior renovations – Permit #12-010 – Approved.
- Andre St. Louis – 32 Queenswood Drive (Map & Lot 118-003-006) build and roof mudroom & laundry room – Permit #12-011 – Approved.
- Colby Sawyer College – 541 Main St. (Map & Lot 085-033-000) renovation and expansion of dining facility & expansion of other student activity areas – Permit #12-012 – Approved.
- Lake Sunapee Group Inc. – 331 Main St. (Map & Lot 084-088-000) renovate office space into meeting room – Permit #12-013 – Approved.

- Scott & Christine Peckman – 760 Pleasant St. (Map & Lot 049-004-000) add second story – Permit #12-014 – Approved.

Application for use of Whipple Memorial Town Hall:

- New London Barn Playhouse – auditions – March 8th 9:30-5:30 & April 14th 10AM-5PM & April 15th 12-4PM – Approved.

Other Items to be signed:

- Disbursement voucher
- Three Petition & Pole License's

**IT WAS MOVED (Tina Helm) AND SECONDED (Mark Kaplan) to adjourn the meeting.
THE MOTION WAS APPROVED UNANIMOUSLY.**

The meeting adjourned at 11:05am.

Respectfully submitted,

Kimberly Hallquist
Town Administrator