



LACONIA CITY COUNCIL MEETING
JANUARY 14, 2013
CITY HALL – CONFERENCE ROOM 200A
7:00 P.M.

CALL TO ORDER:

Mayor Michael Seymour called the meeting to order at the above date and time.

SALUTE TO THE FLAG:

Councilor Robert Hamel led the Salute to the Flag.

ROLL CALL:

City Clerk Reynolds called the roll with the following Councilors present: Councilor Doyle, Lahey, Lipman, Baer, Hamel and Bolduc. Also present City Manager Scott Myers and Finance Director Donna Woodaman.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- Regular and Non-Public Minutes of January 3, 2012

*Councilor Bolduc moved to approve the regular and non-public minutes of January 3, 2012. Seconded by Councilor Hamel. **Motion passed unanimously.***

CONSENT AND ACTION CALENDAR:

1. Temporary Traffic Order 2013-02, Timberman Triathlon

*Councilor Bolduc moved to approve Temporary Traffic Order 2013-02, Timberman Triathlon. Seconded by Councilor Hamel. **Motion passed unanimously.***

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

1. Natural Wildlife Habitat Award – Waste Management Inc.

Cathy Perreira and Steve Cates presented two plaques to the Council on behalf of the National Wildlife Habitat Council recognizing the Laconia Transfer Station as having a Wildlife at Work program. Mayor Seymour accepted the recognition on behalf of the Council.

Mayor Seymour acknowledged the absence of the County Commissioners due to a prior meeting and moved the presentation on the Downtown TIF Engineering and Landscaping plan as the next presentation.

2. Landscape and Engineering Design Services for Laconia Downtown TIF District Improvements

Planning Director Shanna Saunders addressed the Council. Pat Wood, Warren Clement and Kevin Dunleavy were also in attendance representing the Downtown TIF Advisory Board.

Director Saunders reviewed a prepared presentation for the Council (see Attachment #1) which highlighted the need for security in the parking garage and pocket parks in the Downtown area, particularly at Main Street in front of Sawyers Jewelers and the Grace Capital Church, as well as at Pleasant Street and Main Street.

Director Saunders presented two letter of support to the Council (with Attachment #1). The first was from Joe Adrignola of One Mill Plaza. Mr. Adrignola explained that he has invested in a pocket park on his property that is highly used and has added to the area. Mr. Adrignola encouraged the addition of pocket parks in the Downtown area. The second was from Kevin Sullivan, owner of commercial property on Main Street currently housing Rent-A-Center and a vacant lot. Mr. Sullivan expressed that he feels there are necessary upgrades that need to be made to the Downtown area because of the unappealing sidewalks and maintenance problems and included pictures of the issues.

Regarding the security in the parking garage, Director Saunders explained that the cost to install a stairway with an open visual concept would be very costly. The Downtown property owners have taken the initiative to look into the pricing of a video security system that would include 19 additional cameras with a direct video feed to the Laconia Police Department. This system would cost \$18,000 and is supported by the Laconia Police Department. The Laconia Police Department can also increase patrol during peak times that will give the users a sense of security and protection. To make this successful there would need to be outreach to the community letting them know that the cameras are installed with a direct link and that the location is secure.

Director Saunders explained that tonight the Downtown TIF Advisory Board would like to request funding for the Main Street Bridge pocket park because it is going to be done in conjunction with the Main Street Bridge project and the bids have gone out for this already. Additionally they are asking for consideration of the Water Street park with timing being a factor because the waterline running under the site will be replaced in at the ending phase of the Main Street Bridge project approximately one year after. If the design can be done for both pocket parks together the overall design cost will be less and there will be a plan in place. The improvements to the parking garage are also a priority but the Advisory Board would like to ask the Council to think about them and a decision is not requested this evening.

Director Saunders advised the Council that the Downtown TIF Advisory Board meets on the third Thursday of every month at 10:00 a.m. at City Hall in Room 200B; this meeting is open to the public and all Councilors are invited to attend.

Councilor Lipman asked City Manager Myers for an overview of the current financial state of the Downtown TIF fund as well as the projected incoming funds. City Manager Myers replied that \$130,000 annually flows into the fund which is a sustainable income and the current balance is approximately \$373,000. Projects can also be bonded for the TIF because the fund is self-sustaining. Councilor Lipman asked if there is a specific timeframe for the contributions to end. City Manager Myers replied that there is no sunset date for the funding and it can continue as long as there is a need for it or until all debt is paid if there is a project bonded.

Councilor Lipman asked for an estimated cost for the remainder of the Riverwalk. Director Saunders replied that they can get the amount to the Council.

Councilor Bolduc asked what would happen to the pocket parks in the winter months. City Manager Myers replied that they will be designed with elements that are sustainable in the winter months and can sustain winter maintenance needs, such as road salt. Councilor Bolduc asked if they would be open in the winter and require snow removal. Director Saunders replied that they would not be open and snow removal would not be necessary.

Mayor Seymour asked the Council for their sense on moving forward on the Main Street Bridge pocket park because it is the more pressing item.

Councilor Lahey asked if these should be done incrementally or together with a bond. City Manager Myers replied that this evening the engineering and design needs to be done first and the construction and funding of the park can be done over the next few weeks.

Councilor Hamel asked if the Parks & Recreation Department would be able to maintain the additional pocket parks. Parks & Recreation Director Kevin Dunleavy replied that there would be a focus on low maintenance features because staffing levels will not be increasing. There is an opportunity to fund maintenance through the TIF that can be considered when estimates are done. Councilor Hamel commented that the City has a fair amount of parks and there is already concern with maintaining the existing parks and the more that are added the more resources will be stretched. Director Saunders replied that they are small and in urban locations which makes them ideal for the Adopt-a-Spot program.

Councilor Hamel expressed that he would like to pay cash for these rather than bonding. At this time there is sufficient funding for the Main Street Bridge pocket park and in another year there will be additional funding available for the Water Street proposal. City Manager Myers explained that in the Main Street Bridge project the State of NH will be going out to bid to replace exactly what is there for concrete and a change order can be submitted which will in turn save on the cost of the project and be credited toward the cost of the park. This makes it very important to do the park in conjunction with the bridge.

Councilor Baer agreed with Councilor Hamel's approach on the constructing of the parks but feels there is more to be considered with the parking garage and the Council couldn't possibly make a decision tonight.

*Councilor Hamel moved to approve funding for the Main Street Bridge pocket park for an amount not to exceed \$20,000 for engineering plans. Seconded by Councilor Baer. **Motion passed unanimously.***

Councilor Lipman stated that he would like to see a full conceptual plan for the Downtown area because so many different aspects are tied together.

3. Budget Discussion & Update – Belknap County Commissioners (This item was heard after the City Manager’s Report)

Commissioner s John Thomas, Stephen Nedeau and Ed Philpot, Jr. were in attendance. Chairman John Thomas addressed the Council explaining the budget process to the Council to this point. The process begins with the Department Heads of the County and concludes with the County Delegation adopting the budget.

Chairman Thomas expressed that this is a particularly difficult year with general revenues being down and costs increasing. The Commission has been working to reduce the County budget but unfortunately have come to a point that will see County taxes increase by 8.9% as it is now. The County Convention still has an opportunity to make cuts to the budget and this amount will decrease with those cuts. Over the last four years the County has been working very hard to run the County like a corporate entity, which has included streamlining processes and departments to make efficiencies. Positions have been eliminated, some have been reduced from full time to part time, and the structure is as close to a corporate level that is possible for a government entity. There are no Cost of Living Adjustments (COLA) in the budget and step increases are being based on merit rather than being considered automatic and are 3% increases. Health insurance rates have increased by 7.3% and retirement rates have increased again this year. There have been requests for two additional full time positions; one position at the Department of Corrections and the other at the County Attorney’s Office.

The Belknap County Nursing Home has a projected deficit of \$3.4 million this year. This is one area that has been identified in the County discussions that the municipalities do not want to see changed. The Nursing Home is run very well and has received recognition for their services.

One of the biggest questions coming forward is relating to the County “Jail”, which it has been requested to be referred to as a Community Justice System Facility. Chairman Thomas explained that when you are referring to this facility it is important to understand that has some portions that are from the late 1800’s and the youngest section is from the 1970’s with each section is being utilized. The County is facing a tough decision with this facility because it is going to be replaced by the County making the initiative to do so or by the Federal Bureau of Prisons imposing the requirement. The current facility is not safe for the personnel, they are overcrowded and is a danger to all involved. If this is not corrected it could prove to be much more costly in potential legal fees and costs.

Chairman Thomas explained that the Community Justice System is not just about housing the offenders but includes rehabilitating them so the recidivism rate is reduced. With the main factors of recidivism being substance abuse and mental illness you have to break the mold in order to save the cost later on. The County Delegation will be addressed for funding for an architectural and engineering study so there is a design in place; this is the point when cost cutting can happen because you have an idea of what the project will look like. This is not part of the budget at this time.

Councilor Hamel asked if there has been any engineering done at this time. Chairman Thomas replied that they have not and there is one concept at this time that does not include plans. Councilor Hamel expressed that he has concern with the high amount of \$42 million that has been thrown out because the City was able to do sizable projects for much less than that and they are substantial buildings. Chairman Thomas explained that, without belittling the Laconia Middle School, the projects are not comparable because a school does not have the same system requirements that a corrections facility will need because they are very specialized. The decision has been made that something is needed and

it has to happen. Councilor Hamel replied that he doesn't disagree that something is needed but he is hoping that when the process begins the municipalities will be involved because the cost is going to have a substantial impact on their budgets and will have an effect on other projects that can get done, especially when the City pays 22% of the budget. Chairman Thomas replied that the municipalities are encouraged to give input in addition to the community advisory board of 15 members. Councilor Hamel added that it is nice to have a wish list of what you want but it comes down to what the municipalities can afford. Chairman Thomas agreed that if a budget can come in lower it will.

Councilor Lipman asked if a financial feasibility study has been done based on the debt service carrying capacity and if a Bond Planner is being consulted. Commissioner Philpot, as a member of the planning committee, replied that they are in the process of undertaking this at this time. A determination of minimum standards, which will have a high focus on security, will weigh on the process and a basic square footage cost will need to be discussed before they can move on to other features and begin to plan. In the report being prepared there will be a section on the funding and the options that are being looked at, including how to project the highest costs to hit when other high costs that are bonded will fall off. A needs assessment needed to be completed first and programs are built into the process because the square foot costs and what the ratio is going to be will impact the cost; more security needed will mean more cost and there is still a lot of work to do. The cost of \$42 million came from the initial process and reports and when the other work is done the cost will be made more reasonable.

Councilor Baer thanked the County Delegation, Commissioners and the public in attendance. Councilor Baer read the following prepared statement:

"Let me begin by stating when I oppose the budget or the new Prison, I am not considering JUST the cost of these two proposals. I have to look at the whole financial obligation of the City of Laconia and indeed the County. I have to consider all the other requests that are out there, many of them expensive, and many of them very vital to our community, but some of them won't be done if these two issues are allowed to stand. I have to look at how much money the City has to spend within the tax cap, and how much revenue has been lost over the past year. I have to consider the fact that the State has dropped their 25% commitment to the retirement fund and downshifted their share to the City. This year between the City side and the School side, it will cost us close to 1 million dollars more than last year. I have to look at the increase the City will have to pay in health benefits and I have to look at the 30 million dollar reduction in property assessments, and also a loss in revenue from building permits. These are just a few of the things. There are also major projects that are being presented in our budget. Not a very optimistic outlook."

Councilor Baer asked what percentage employees pay for their health care benefits. Chairman Thomas replied that they pay 6.5-10%. Councilor Baer countered that City employees currently pay 12% and will be paying 15% effective with the new budget and it seems like the County may try some progressive increases in the County employee's contributions.

Councilor Baer noted that in the County budget (page 20) there is a large gap between what was requested and what was actually spent and in the proposed budget there is more being requested. Councilor Baer asked why there is a need for an increase, without going line by line.

Additionally, Councilor Baer asked what the new item for "GLCA" is for. County Administrator Deb Shackett replied that "GLCA" is the Greater Lakes Child Advocacy Center. Councilor Baer noted that Community Action Program (CAP) was cut to accommodate the "GLCA" line. Commissioner Philpot commented that the CAP budget was decreased because an agreement that was made involving a

program shift to the United Way and the County was making payments to CAP to cover the shift; the agreement has ended and the allocation is no longer in the budget.

Commissioner Philpot also replied that GLCA is a resource to the municipalities, a large part in the City because of population, that assists the Police Department in cases that involve investigations of child abuse and child sexual abuse cases. The offices are in the City and this is the first time they have come to the County for funding. Given the resource that is provided to the communities the County feels this is a valuable program.

Councilor Baer noted that there is an increase in the Lakes Region Mutual Fire Aid (LRMFA) portion of the budget of approximately \$21,000. Commissioner Philpot replied that the County has no authority to increase or decrease the LRMFA budget because it is established by their Board, containing the Fire Chiefs of the constituent municipalities, and the County does the billing only; this is an item in and directly back out. Councilor Baer replied that she didn't think the LRMFA services were used significantly enough to support the amount. Fire Chief Ken Erickson replied that the City has used LRMFA 3,648 times last year and they handle every single response the Department does and the share paid by the City is half of what it would cost to provide the service internally.

Commissioner Philpot stated that it was pretty clear from the municipalities that they do not want anything changed with LRMFA. The County bills based on the calculation from the Department of Revenue Administration (DRA) but the alternative would be to have LRMFA bill each town themselves and it would not be calculated in the DRA formula but the price changes were not appealing to some of the municipalities. It was decided some time ago that LRMFA billing through the County was the best way to handle the process.

Chairman Thomas expressed that a good example of downshifting to the local agencies is the closing of a wing at the State Hospital in Concord. The repercussion of this is having the people housed there sent either to the County facility or to the local hospital, in this case Lakes Region General Healthcare (LRGH), for care at the cost of the County or the health facility.

Councilor Bolduc asked if the new prison is going to be a completely new structure or if the sustainable pieces of the current facility will be used. Commissioner Philpot corrected that the facility is not a prison, but is House of Corrections that holds people with misdemeanors for up to one year and those awaiting trial. Commissioner Philpot addressed the currently condition of the facility as being in need of a large amount of maintenance, referring to a recent maintenance that was needed for a heating system failure that needed significant repairs to become active again. The newest part of the building upgrades will be so substantial that it would far exceed tearing down the facility and replacing it. This option was examined and is not suggested.

Councilor Lipman expressed a concern that if there is going to be a cut that it be a real cut and not become a form of downshifting to a lower level of government because that does not eliminate the increase but only makes it the burden of the municipalities directly. This is not to the benefit of the taxpayers. Chairman Thomas replied that the Commission understands completely.

Councilor Baer asked if the County has considered boarding inmates at another facility. Commissioner Philpot replied that this has been done and explained the process that is done by a no cost agreement when there are spikes in population or if there are groups that cannot be housed together. In other instances, such as over population, there is a per diem payment for each inmate sent but the County is still responsible for all of the transportation and medical cost which makes the per diem equal to

housing internally. Chairman Thomas also added that if it was known that boarding was going to be a long term solution the per diem rate would not remain at an appealing level.

Commissioner Nedeau commented that the County appreciates the relationship that LRGH has with the County to assist in minimizing the medical costs for inmates receiving services.

Commissioner Philpot noted that the State has closed a wing of their facility in Concord which has increased the cost locally because the mentally ill will either go to the County because they have done something out of their control or LRGH Emergency Room and be held there until there is availability at the State level. There is no system in place to assist these people and the cost is being made the responsibility of the facility holding the person. Councilor Lipman commented that more community based programming, as could be provided with a new facility, could lead to less institutionalizing and that is the overall goal.

Councilor Hamel asked if there is a predetermined bonding level that the County has committed not to exceed, similar to what the City has done. Commissioner Philpot replied that there has not been one set at the County level but there should be. The County has a good bonding rating and it is not difficult for the County to get funding but when the bonding level gets higher it will affect the ability. These are discussions that are happening at this time and will be looked into further.

Councilor Hamel asked if the County has a bond schedule available. Commissioner Philpot replied they do and it is in the budget book.

With no further questions, Chairman Thomas thanked the Council and encouraged them to communicate with the Commission at their leisure.

Mayor Seymour invited any member of the public or the County Delegation in attendance to comment if they so choose. Mayor Seymour also requested to invite the County Delegation to attend a Council meeting. Councilor Lipman recommended doing so after the budget recommendations have been made at the State level.

Representative Collette Worsman, Chair of the Belknap County Delegation, replied that the plan is to get the Governor's budget around February 13. Mayor Seymour asked if the February 25 meeting is too soon to meet. Rep. Worsman replied that it is. Councilor Lipman requested one in March and one after the Cross Over has happened. Mayor Seymour requested that invitation be made for the March 11 meeting.

Charles Bradley commented that he heard some discussion about an issue he is very interested in. It seems that the philosophy of incarceration needs to be investigated and agreements between County's needs to be explored. It takes a long time to spend \$42 million when you pay to have other County's incarcerate for Belknap County, especially when you think about the advance in technology that allows a different thought process as it relates to incarceration.

MAYOR'S REPORT: NONE

CITIZEN REQUESTS TO COMMENT ON CURRENT AGENDA ITEMS: NONE

COMMITTEE REPORTS:

1. FINANCE: (Lipman, Hamel, Baer)

- a) WOW Trail Fund
- b) Special Item Budget Requests Procedural Review
- c) Huot Center

No report on any item in committee

2. PUBLIC SAFETY: (Baer, Doyle, Lahey)

- a) Fair St./Court St. traffic problems and accidents

No report on any item in committee

3. GOVERNMENT OPERATIONS & ORDINANCES: (Doyle, Bolduc, Lahey)

- a) Energy Committee
- b) Vending and Licensing Fees
- c) Chapt. 119, Building Construction regarding signed architectural plans for residential units

No report on any item in committee

4. PUBLIC WORKS: (Bolduc, Baer, Lahey)

- a) Ordinance Amending Chapter 221, Vehicles and Traffic/Parking on Sublawns
- b) Proposed ordinance regarding vehicles over 18,000 lbs. and engines idling between the hours of midnight and 6:00 a.m.
- c) Proposed ordinance regarding large vehicles parked on City streets and sidewalks

No report on any item in committee

5. LAND & BUILDINGS: (Hamel, Lipman ,Bolduc)

- a) Repair & maintenance of City Buildings
- b) Former Laconia Police Department Building

No report on any item in committee

LIAISON REPORTS: NONE

MANAGER'S REPORT:

City Manager Myers reviewed the Recycling Report (see Attachment #2), Financial & Operational Trends (see Attachment #3) and Project Updates (see Attachment #4).

There have been some great articles in local publications regarding recycling which is appreciated. There have also been suggestions from residents on ways to encourage recycling. City Manager Myers requested referring recycling options to the Public Works Committee to discuss the options and to schedule a meeting. Some options that have been suggested include picking up weekly and picking up trash bi-weekly and to not collect trash at all if there is no recycling out at a residence. There are significant savings that could be made.

City Manager Myers also advised the Council that if the Council would like to utilize a one year extension on the collection contract they need to do so by May 31. The contractor has done a very good job and has worked with the City on any issue that has come up and City Manager Myers feels the contractor is willing to work with the City.

Councilor Lipman stated that we have to get put a plan in place to reach at least 30% recycling because 80% of the budget cap is being used for additional pension expenses and other uncontrollable short run costs. Year to date the cost of only recycling 15% has been approximately \$130,000 and this could be a substantial savings.

Councilor Hamel asked if Casella Waste, the company that has purchased Bestway Disposal, has agreed to honor the current contract and continue as planned. City Manager Myers replied that there is an increase figured into the contract that is connected to the CPIU increase and that if both parties agree to extend this would be around 3%. It is the understanding that the employees of Bestway Disposal will be remaining with Casella Waste for the foreseeable future so the impact will be minimal.

Councilor Hamel requested to have a price brought forward for the City to purchase one bag per household each week for a Pay-As-You-Throw program. The idea would be to have households purchase any additional bags that they may need. Councilor Hamel continued that the problem in the City is the multifamily homes that do not recycle and have an excessive amount of trash each week. Pay-As-You-Throw is an option that needs to be looked at and there is a lot of lead time that is needed so it should be looked at again. City Manager Myers replied that under any scenario that is a significant change there would be outreach needed with a transition period but it is important that something is done because on a voluntary basis it is not being done. Councilor Hamel replied that everyone on the City level, including the Council and Department Heads, have been trying to promote recycling in any way possible and the response has been negligent so moving forward is the only option.

Councilor Bolduc stated that one landlord has come up with a positive approach to recycling and the others in the City should be encouraged to follow his lead. City Manager Myers replied that a route audit has just been completed, with the assistance of the drivers from Bestway Disposal, to identify the areas that recycling needs to be encouraged and the Department of Public Works is working on making contact with the property owners.

*Councilor Hamel moved to refer the recycling options to the Public Works Committee for further discussion. Seconded by Councilor Doyle. **Motion passed unanimously.***

Councilor Lipman requested a timeframe to get this action completed before the next fiscal year begins.

NEW BUSINESS:

1. Council Acceptance of CIP proposals

Planning Director Shanna Saunders addressed the Council.

Director Saunders thanked the members of the CIP Committee for their hard work and reviewed the items presented. (see Attachment #5) Director Saunders noted that during the public input session this year the room was full of residents in support of the Weirs Community Park.

Councilor Lahey asked if there is a status update on constructing a new Opechee Park Clubhouse. Councilor Hamel replied that it was funded last year but it was moved to fund a police officer and the tearing down of two other buildings. Councilor Lahey asked if the Parks & Recreation Commission has decided if the building should be reconstructed. Director Dunleavy replied that a request was made to the CIP and represented the material cost with the assumption that a volunteer group would be

completing the labor. At this point it is the understanding that if the funding is made available for the material cost the volunteers will begin the construction.

Councilor Doyle encouraged the consideration of the Weirs Community Park. There currently is no park in the Weirs area and for the last decade it has been on the list and not been funded. The community has raised money toward the funding and it will be amazing if it is completed as envisioned. Councilor Doyle asked that the City Manager leave it high on the list and the Council support it.

Councilor Bolduc agreed and stated that it has been a long time in the works and they deserve it. The effort of the community shows their support.

*Councilor Hamel moved to accept the CIP report as presented. Seconded by Councilor Bolduc. **Motion passed unanimously.***

2. Council Acceptance of Fire SAFER Grant

City Manager Myers explained that the City applied for this grant through FEMA and it is for approximately \$642,000. This grant would cover the cost of four firefighters for two years, including salary, overtime, and health benefits, to be submitted on actual cost and reimbursed to the City. At the end of the two year grant time there are no firm requirements to retain the staff; however, the purpose of the grant is to improve response time and in the City's case there have been budget restrictions that have prevented staffing at the needed levels which has limited utilizing certain apparatus when it has been needed. City Manager Myers acknowledged there will be some start up cost to gear and radios of approximately \$15,000. It is understood that there is concern about funding for the positions in two year but it is the recommendation of the City Manager to accept the grant, as does Chief Erickson and the consultant that is completing an audit of the Fire Department. Over the next two years the funding can be analyzed and the budgeting can be addressed to minimize the impact. City Manager Myers stressed that the focus with this grant is on improved response time and safety and that is what is important at this time.

Chief Erickson addressed the Council. Chief Erickson recognized Deputy Chief Deb Pendergast for her hard work on writing this grant and many others for the Fire Department. Each grant requires a substantial amount of historical, financial and statistical data and Deputy Chief Pendergast has done a phenomenal job writing over \$1 million in grants for the City.

Chief Erickson explained that the SAFER grant goes through a four stage review process and at each level it was recommended to support the City's proposal. The City was the only community in the State of NH to receive the award. There is a two year timeframe to evaluate the benefit of adding the staffing and it is the hope that Chief Erickson will be presenting the progress that has been made by accepting this grant.

The last time there was an addition to staffing at the Fire Department was in 2006. Since that time recalls have been reduced by 8%, fires controlled at a fist alarm has increased from 35% to 50%, CPR save rate has increased from 11% to 24%, and response time under four minutes has increased from 54% to 61%. Over the same time the call volume has increased by 19% and the multiple calls are at 1,400 a year equating to a 60% increase. The improvement by adding the extra staffing has been shown. Many think that adding one more fire fighter won't make a difference but it does. Chief Erickson asked the Council to support the grant and authorize the City to accept it.

Councilor Hamel stated that he looks at this in two ways; one being the benefit to the City and the other being the cost associated with the grant at the conclusion of the program. Councilor Hamel has been looking for a savings within the department to fund the positions at the conclusion of the two years and he would like to see the overtime reduced to compensate for the increased cost and it has been stated that it will not be reduced. If the amount could be reduced by half over the next two years the City could afford to fund the positions but that does not appear to be an option. If the grant wasn't available, the Council would not be adding the positions at this time because of the increased costs that are being imposed. Councilor Hamel continued that every department can argue that they need additional staffing but the need has to be balanced to the expense. At the end of the two years when the grant is exhausted the reality is that the Council is not going to release the additional staff. Councilor Hamel stated that he appreciates the work Deputy Chief Pendergast has done with the grant writing she has done but with the way budget is now he does not support the acceptance of the grant.

Councilor Bolduc stated that he has the same concerns that Councilor Hamel has. Councilor Bolduc has received concerns from his constituents regarding the funding when the two years is over and stated that the grant should have been brought to the Council before applying because the Council could have had more time to consider the grant because at the last minute there isn't enough time to look into everything. City Manager Myers replied that he encouraged Chief Erickson to pursue the grant because it does not have requirements to retain employees after the grant has been exhausted as was done in the past grant funding. This grant has no additional requirements and it does not have an acceptance time frame.

Councilor Baer agreed with Councilor Hamel and Councilor Bolduc for the same reasoning given. Additionally, Councilor Baer explained that this is an election year and the Councilors in office now may not be the same in two years and if this is passed the responsibility will be on those that are in office. The financial burden is unknown and the City is not in the position to gamble. Councilor Baer continued that the Fire Department does a great job with what they have and it is hard to justify the need. Chief Erickson replied that the Fire Department could be doing better and the injury rate is very high and that is driving the overtime. The overtime has been discussed and there may be some potential savings but to cut it in half is unreasonable and could result in the station closing some days. In the last year there were 92 instances with less people on duty and it had a significant impact on all aspects of the job.

Councilor Baer asked why the analyst hasn't come in with a cost efficiency plan. City Manager Myers replied that the final report has not been submitted and it will be available over the next few weeks. Councilor Baer commented that the preliminary report was very similar to the reasons the Chief has given and the only aspect unclear is the financial one.

Councilor Bolduc stated that there is a problem because firemen are going on medical calls and it is going to need to be separated to eliminate the problem. Chief Erickson replied that having the cross training is the most effective way to operate. According to the State Fire Marshall's Office, the fire rate per capita is four and half times the National average for Cities our size and there are about 50 building fires a year. There are a lot of fires in the City but they go out quickly so they are not front page news; there is no question that 70% of all calls are medical related and the department does phenomenal EMS work and there are a lot of people alive in the City today because of the work they do. Councilor Bolduc replied that he is not questioning the quality of the work but stating that in the future it will need to be considered. Chief Erickson replied that this would be very expensive.

Councilor Lahey asked if it is fair to say that if nine on duty became the new normal it can be expected to have increases in benefit time. Chief Erickson replied that there would be nine during the day and

eight at night at his discretion. The purpose of the grant is to improve response time and fire fighter suppression ability, not to save the City overtime.

Councilor Lahey stated that he is trying to address the issue that some have regarding the end of the two years and having these four firefighters with a substantial expense. It should be taken into consideration the attrition rate of the department and the ability to not replace retiring employees after two years and returning to the levels prior to grant. Additionally, if there were not enough retirements to reduce the force you could go back to prior levels. Chief Erickson replied that last year the overtime budget was cut and staffing was reduced on 94 occasions to seven on duty and it did not work out. If the Council decides to do this the Chief will live within the budget. Councilor Lahey stated that the Council in two years would have the ability to make that decision.

Chief Erickson stated that realistically he should have been asking for the increase in staff two years ago but the economy was preventative. At the current growth of call volume running short is going to be very difficult to do, especially during the day. Councilor Lahey replied that if this is the case there shouldn't be a discussion about cost because we need to provide a safe service for the City but in two years when the Council has changed they will have options available to them.

Chief Erickson commented that the first year of the cost the City would only pick up partial cost because of the timing of the grant. The full impact will not happen until fiscal year 2016.

Councilor Doyle asked if the City is required to keep staffing levels at a specified number or only to keep the four hired with the grant. Deputy Chief Pendergast replied that the staffing level would need to stay consistent for the two years. Councilor Doyle asked how many firefighters will be projected to retire in the next two years. Chief Erickson replied that he knows of two. Councilor Doyle commented that the new higher would then come in at a lower salary. Chief Erickson concurred.

Chief Erickson stated that he understands that there is a focus on the overtime but it should be considered that the Fire Department is a constantly running department; they never close and it is a big driver of the overtime. When looking at the entire budget the Council should look at the cost per capita to operate and not focus in on the overtime because the budget is low compared to other municipalities of comparable size. Overtime is costly but is necessary to keep the City protected.

Councilor Lahey asked if they will be hiring paramedics. Chief Erickson replied that they do not need to hire additional paramedics because there are currently 16 on staff. It would all depend on what came in for applications.

Councilor Lipman stated that he has been struggling with this for a while and thanked Deputy Chief Pendergast for all of the grant funding she has brought to the City. Councilor Lipman stated that there is a lot of financial uncertainty facing the City and this is a major investment. Another approach to be considered would be to create a reserve fund but there isn't the ability to do so at this time. In terms of working this through a decision needs to be made this evening and that is a challenge.

Councilor Hamel commented that if at a later time it becomes necessary to hire additional staffing the Council can do so with or without a grant but this is not the time. Councilor Lahey countered that we would be getting two free years now and there is no obligation to continue after the two years. Councilor Hamel replied that there is nothing for free. Councilor Lahey stated that if there is concern in two years then it can be dealt with at that time.

Deputy Chief Pendergast stated that when this grant was being written it was not done with the expectation that these people would be released in two years. Preparation was put into the funding mechanism and this was not done without consideration. This is federal funding for two years that will give the time to work out a definitive plan for funding and an account can be established as a reserve. Councilor Hamel replied that he would like to see a reserve established first and a commitment to the savings being shown. Chief Erickson replied that without the four additional staff there will be no way to fund a reserve.

Deputy Chief Pendergast added that during Motorcycle Week alone there is a potential savings of \$10,000 alone. There can be additional savings at special detail events, such as fireworks and shoveling hydrants, and with public education programs.

Councilor Lipman asked what level of attrition can be given with 100% certainty within three years. Chief Erickson replied that he is certain of two. Councilor Lipman asked if it is known if they will stay for less than two years because if they do the attrition will not affect the outcome. Deputy Chief Pendergast replied that two employees have opted not to renew their National Registry Certification which will make it necessary for them to retire within two and one half years. Councilor Lipman asked if the Chief could commit to not replacing them. Chief Erickson replied that if they retire within the grant funded timeframe he cannot commit to that but if it is over the two years it may be an option.

Councilor Lipman stated that his sense is that the Council does not disagree that the coverage would be beneficial but that financing the additions is of concern. There are levels of uncertainty. Chief Erickson cited the prospects of new construction and the potential for an economic up-swing as reasons to move forward.

City Manager Myers stated that he feels there is a need to bring these additions to the City. There have been significant changes with funding other areas, such as establishment of reserve accounts and adjustments to employee health insurance, and managing resources to have a minimal impact in the future is something that the Chief and City Manager will make a priority moving forward because the additional staff is needed.

Councilor Bolduc recognized the improvement but would like to see a break given to the tax payer. We can do what we are doing today with what we have and we need to continue to do so. City Manager Myers replied that the decision of the Council will be respected.

Councilor Doyle concurred that finances are always something to think about but we don't know where anything is going to be in two years and agreed with Councilor Lahey that these people are going to be accepting the position knowing that it is grant funded for a time of two years. Councilor Baer asked how many people would go into a job knowing it could be eliminated in two years. Chief Erickson replied that the experience they would get would make it worth wild for anyone.

Mayor Seymour commented that if we are going into this with the sole desire to be at the same level in two years than he would not encourage the Council to approve it because it goes against the purpose of the grant but if the Council can be encouraged to find a solution that would retain the staffing it would be in the best interest to accept the grant.

Councilor Lipman commented that saving one life over a two year period is a value but the reality is that if things don't play out well something else could be sacrificed in another department. Councilor Lipman asked if an explicit contract offer could be made for two years. City Manager Myers replied that we could not because of the scope of the collective bargaining agreement.

Councilor Hamel stated that over the last four years the Council has been prudent with funds and has banked leftover funds to save on the tax rate. Every option has been explored and the next few years are going to be no different. Councilor Hamel stated that he is not ready to make this commitment but if the need is presented and justified in the future the Council will find a way to fulfill a justified need just like they did in 2006.

*Councilor Lahey moved to accept the Fire SAFER grant. Seconded by Councilor Doyle. **Motion failed on a 2-4 vote.***

Chief Erickson thanked the Council for their consideration and deliberation.

UNFINISHED BUSINESS:

1. Milfoil Treatment Funding Request
2. WOW Trail
3. Master Plan
4. EPA Update
5. Sewer & Water Master Plan
6. Single Stream Recycling/Concord Co-Op/Solid Waste Disposal Cost Reduction
7. Strategic Planning/Goal Setting

NOMINATIONS, APPOINTMENTS & ELECTIONS: **NONE**

COUNCIL COMMENTS:

Councilor Baer requested to schedule a Public Works Committee meeting to discuss the recycling options.

*Councilor Baer moved to schedule a Public Works Committee meeting to discuss recycling option for January 28, 2013 at 6:00 p.m. Seconded by Councilor Bolduc. **Motion passed unanimously.***

Councilor Lipman asked the City Manager to try and identify funds that may be lapsed into the next fiscal year to help offset the needs that are known. City Manager Myers replied that they will do their best to identify areas that can be carried forward.

Councilor Bolduc asked why Chief Adams is in attendance. Chief Adams replied that he is in attendance to observe.

Councilor Lipman asked, as a follow-up to the earlier conversation, to have information regarding setting up a fund to enhance the Fire Department and address their needs in the future. City Manager Myers replied that the consultant's report will be available shortly and that will be a good catalyst to work from.

Mayor Seymour asked when a report from the consultant will be available. City Manager Myers replied that a preliminary will be available in approximately three weeks.

Councilor Baer asked what the fee was for the consultant. City Manager Myers replied that the cost was a flat fee of \$12,000 and includes a formal presentation to the Council.

*Councilor Bolduc moved to extend this meeting to 10:30 p.m. Seconded by Councilor Baer. **Motion passed unanimously.***

NON - PUBLIC SESSION:

Councilor Lahey moved to enter into non-public session according to RSA 91-A:3, II: (d) Consideration of the acquisition, sale or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community. Seconded by Councilor Doyle.

On a roll call vote of the Council it was entered into non-public session at 9:56 p.m.

*Councilor Bolduc moved to come out of non-public session at 10:05 p.m. Seconded by Councilor Lahey. **Motion passed unanimously.***

*Councilor Bolduc moved to seal the minutes of the non-public session for 30 days. Seconded by Councilor Hamel. **Motion passed unanimously.***

ADJOURNMENT:

Councilor Bolduc moved to adjourn at 10:07 p.m. Seconded by Councilor Lahey. **Motion passed unanimously.**

Respectfully Submitted:

Mary A. Reynolds
City Clerk