



**LACONIA CITY COUNCIL MEETING
MONDAY, JANUARY 25, 2010
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 Greg Knytych led the Salute to the Flag.

ROLL CALL:

City Clerk Mary Cote called the roll with the following Councilors present: Councilor Knytych, Lahey, Lipman, Baer, Hamel and Bolduc. Also present City Manager Eileen Cabanel and Finance Director Pam Reynolds.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- **Council minutes of 1/11/10**

Councilor Bolduc motioned to accept the minutes of the 1/11/10 meeting. Seconded by Councilor Lipman. **Motion passed unanimously.**

CONSENT AND ACTION CALENDAR:

1. **Approval of the following marinas to act as agents of the City for the collection of boat fees:
Paugus Bay Marina, Thurston's Marina, Channel Marine, Irwin Marine and Lakeport Landing**

Councilor Hamel motioned to allow Paugus Bay Marina, Thurston's Marina, Channel Marine, Irwin Marine and Lakeport Landing to act as agents of the City for the collection of boat fees with the recommendation to have advertisement placed in the local newspapers. Seconded by Councilor Bolduc. **Motion passed unanimously.**

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PRESENTATIONS:

- **Municipal Energy Assistance Program (M.E.A.P)**

Mayor Seymour invited Lisa Baldwin to address the Council.

Ms. Baldwin is presenting to the Council because the City applied for and was awarded a grant to evaluate energy usage and costs, along with ways to reduce usage and cost. This program is funded through the New Hampshire Public Utilities Commission and the Greenhouse Gas Emissions Reduction Fund. The M.E.A.P program was designed to help communities with the assessment of energy usage and to assist in finding resources to decrease energy usage overall.

With this program, Clean Air-Cool Planet will be conducting inventory, SDES Group will perform a Building Audit, as well as Jeffrey H. Taylor and Associates performing energy audits for a few select communities.

Ms. Baldwin further reviewed the inventory process, audit process, as well as outlined goals from the program.

Councilor Hamel asked Ms. Baldwin if she was familiar with a program previously offered by PSNH to rebate municipalities that switched to LED lights. Ms. Baldwin is not aware of a program, but will look into it.

- **Department of Revenue Administration – 2008 Assessment Review/Gary Karp**

Mayor Seymour invited Gary Karp to address the Council.

Mr. Karp began by explaining that the City was one of 55 towns to go through an assessment audit in 2008. Each year, 25% of the will go through this process. The audit is designed to look at the following key areas:

1. Level of Assessment – Sales from October 1st to September 30th are analyzed, allowing for a 6 month timeframe on either side of the Assessing year, which is April 1st through March 31st. This shows a relative “health” of the City.
2. Assessing Practices – Mr. Karp visited the office and observed all of the daily practices of the Assessing Department, from customer service to knowledge of the staff.
3. Exemptions and Credits – Residents receiving various exemptions and tax credits, as well as the religious, educational and charitable properties, were evaluated. Randomly chosen samples of the file were reviewed to verify the information was correct and all requirements had been met.
4. Accuracy of Property Record Card Data – Samples of properties of various types were selected. Mr. Karp went out to these properties and performed actual determinations of these properties to compare to the Departments stored data.
5. Proportionality – Assessment proportionality is measured by the COD or Coefficient of Dispersion, which is a statistical Measure of Central Tendency. It is defined as: The average deviation of a group of numbers from the median expressed as a percentage of the median. In 2008 our COD was 11.3, 2009 it is 13.2. For 2008 11.3% of our assessments were above the median sale price, 11.3% were below. It is recommended that the COD should be below 20, by all assessing standards.

6. Conformity to State Law – Mr. Karp did find two minor points needing attention. When reviewing some of the Veteran’s Credit Applications, it was noted that when a spouse became deceased, a new application was not collected for the surviving spouse who is still entitled to the credit. This has been rectified directly and is no longer a concern. In addition, when properties are updated, such as in 2008, a manual should be completed, stating what changes were made in partial. This is not an issue moving forward, with the City having a complete reanalysis this year.

Councilor Lipman confirmed that the PRD calculation shows the lower end properties are carrying more of the tax burden than the higher end properties. Mr. Karp confirmed this is correct. Councilor Lipman also inquired if the mentioned statistics are available on an annual basis. Mr. Karp also confirmed this as correct.

Councilor Lipman requested to add these statistics to the current series of reports issued by the City each year. City Manager Cabanel agreed.

Councilor Hamel asked Mr. Karp to explain the neighborhoods in the City, and how back to back properties can be in separate neighborhoods. Also, Councilor Hamel would like to know how the lack of sales in an area of the City, how it is calculated for value of no sales exist. Mr. Karp advised that he cannot speak on behalf of the Assessor, but there are various ways these items can be addressed. Mr. Karp continued by explaining that over time, neighborhoods change because the “best place to live in town” changes with time. With the type of housing changes from older to newer neighborhoods, and older neighborhoods may change the use, such as a large single family turning into a multi-family unit, the neighborhoods are going to change as well. Within the last 20 years, anyone who can afford to live on the water will. This has caused waterfront values to increase, which have also maintained value within the last few years where other values have dropped. The Assessor looks at the sales each year in the neighborhoods, comparing the sale price to the value of the property. The ratios can vary, causing the adjustments for each neighborhood to vary.

City Manager Cabanel asked Mr. Karp if he would consider the City “healthy” with regard to the overall Assessment. Mr. Karp confirmed in his professional opinion, the City of Laconia is healthy. By doing the assessment review, Mr. Karp was able to determine the general data and statistics are very good. It is wise to be doing the update of values at this time, as the State of NH Constitution must change values every five years. When the update is done, statistics should be put back in line.

- **City of Laconia GASB 45 Report**

Mayor Seymour invited Randy Gomez to address the Council. Mr. Gomez presented a slide show with his presentation.

Mr. Gomez explained that his presentation is focuses on new accounting rules that will effect the City’s financial statements, as well as how the numbers will be generated.

Mr. Gomez began by reviewing the main topic of retiree healthcare. In the past, retiree healthcare has not been separated on financial statements, as it was integrated with other healthcare costs. GASB 45 states we can no longer follow this practice. If retiree healthcare coverage is offered, it must be itemized on accrual accounting and balance sheets. Specifically, you have two categories of retiree healthcare; school employees and City employees. Both categories have similar requirements as to what it takes to

become a retiree with healthcare, such as age and service requirements. As the bills come due on the retiree healthcare, it is paid, with no preplanned funding for the future, just like all other bills.

There is a specific difference as to what the City is subsidizing compared to the Schools. In accordance to State law, the retiree must be offered access to the same healthcare as other employees. The retiree stays on the plan and pays the full premium if you are a City or Water Works employee, as well as some of the School employees. For the majority of School retirees, when retirement is taken, the cost is funded for up to ten years, or until the retiree is 65 years of age, for single coverage only. After the age of 65, the retiree may continue coverage, but must pay the monthly premium (explicit subsidy).

From a statistical stand point, older people have more healthcare claims than younger people. With the current system of pooled healthcare costs, based on statistics, the City will pay more into the pool because of the increased claims for the retirees. This will affect the premium for the following year for the retirees and the currently enrolled.

Councilor Lipman requested to have Mr. Gomez review the Explicit and Implicit subsidy charges from his presentation. Mr. Gomez explained that for each person who has retired under the age of 65, the City pays \$700 per month. Each person who is paying into their health plan will pay the \$700 per month, but their claims will statistically be higher; the difference is being paid by the "pooled" plan, which will in turn be reflected into the next year. The Explicit subsidy, which is used by the School department, is paid by the School for each person that is retired without collecting any portion from the retiree. As long as they are under the age of 65 and worked the required number of years, they get the coverage for a single person for free. The chart of page 10 of the presentation shows the current value of these plans.

Councilor Hamel asked if the figures on page 10 take into consideration the history of claims and the increase in premiums each year. Mr. Gomez has calculated for future healthcare increases. This does reflect the past history as well, because it is aggregated from the past years. No one's individual healthcare is used, but the pooled information is. Councilor Hamel asked for clarification as to where the numbers of the report would appear in the financial statements. Mr. Gomez explained that the bottom line amount will be indicated, but the details will not.

Councilor Lahey requested clarification as to when the Explicit subsidy began, and if it is a result of State or local actions. City Manager Cabanel responded that this is local per the contracts. The time frame as to when this began is unknown, but also emphasized at any one time we could be carrying up to 50 people.

Councilor Baer asked what would happen to the sixth person that would like to retire. Mr. Gomez explained that the sixth person would need to pay full, or withdraw for the current year and be in line for the next year.

Councilor Hamel asked if it was a decision of the School Board to designate the number of retirees allowed to take retirement at full benefit, or does it need to be five each year. Ed Emond from the School District echoed the City Manager stating that it is part of the contract, and the maximum number is five, but it may be less some years. He also explained that this was in affect before he began working for the School District approximately 13 years ago.

City Manager Cabanel explained the "pooled" insurance system to the Council.

With no other questions, Mayor Seymour thanked Mr. Gomez for his presentation.

MAYOR'S REPORT: NONE

CITIZEN REQUESTS TO COMMENT ON CURRENT AGENDA ITEMS: NONE

PUBLIC HEARING: NONE

COMMITTEE REPORTS:

1. FINANCE: (Lipman, Hamel, Baer)

No report on any item in committee

- a) United Way
- b) WOW Trail Fund
- c) Special Item Budget Requests Procedural Review
- d) Lake Opechee Preservation Association requesting \$20,000 per year for a three year period for milfoil control

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

No report on any item in committee

- a) Fair St./Court St. traffic problems and accidents
- b) Complaints regarding signage on "One Way" streets
- c) Old Prescott Hill Rd. curve at beginning/end as you come off of Rte. 106
- d) Winter parking restrictions from 9:00 p.m. to 6:00 a.m.

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

No report on any item in committee

- a) Energy Committee
- b) Amendment to Zoning ordinance re Drug Treatment Facilities
- e) Proposed Amendments to City Charter
- f) RSA 37:6 and the Powers of the City Manager

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

No report on any item in committee

- a) Ordinance Amending Chapter 221, Vehicles and Traffic/Parking on Sublawns
- b) Oak & North Main St. Intersection

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

No report on any item in Committee

- a) Repair & maintenance of City Buildings
- b) Use of City docks at Weirs Beach
- c) Request by Carl and Sandra Lendl to lease City land for access to Paugus Bay for a seasonal dock
- d) Sale of City property

The scheduled Land & Buildings Committee meeting for February 8th at 6:30 p.m. was cancelled.

Councilor Baer requested a Public Safety Committee meeting for February 8th at 6:30 p.m. to discuss all items presented.

Councilor Bolduc made a motion to remove item “C “ under Land & Buildings. Seconded by Councilor Knytych. **Motion passed unanimously.**

Councilor Lipman motioned to remove item “D” under Finance. Seconded by Councilor Hamel. **Motion passed unanimously.**

Councilor Hamel motioned to remove item “A” under Finance. Seconded by Councilor Lipman. **Motion passed unanimously.**

Councilor Hamel motioned to remove item “D” under Land & Buildings. Seconded by Councilor Bolduc. **Motion passed unanimously.**

LIAISON REPORTS: NONE

MANAGER’S REPORT: NONE

NEW BUSINESS:

1. Boardwalk rental fee for Motorcycle Week 2010

Councilor Hamel motioned to reduce the rental fee for vendor space on the boardwalk during Bike Week from \$2,000 to \$1,250 for 2010 only. Seconded by Councilor Knytych. **Motion passed unanimously.**

UNFINISHED BUSINESS:

1. WOW Trail
2. EPA Update
3. Sewer & Water Master Plan
4. Single Stream Recycling/Concord Co-Op

Councilor Lipman requested to amend item 2 to include the Master Plan Update.

NOMINATIONS, APPOINTMENTS & ELECTIONS: NONE

COUNCIL COMMENTS:

Councilor Bolduc advised the Council of Charlie St. Clair’s success with Progressive Insurance.

NON - PUBLIC SESSION: According to RSA 91-A:3, II:

Councilor Knytych motioned to move into non-public session pursuant to RSA 91-A:3, II:

(a) The dismissal, promotion or compensation of any public employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted.

(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.

(e) Consideration or negotiation of pending claims or litigation which has been threatened in writing or filed against the body or agency or any subdivision thereof, or against any member thereof because of his membership in such body or agency, until the claim or litigation has been fully adjudicated or otherwise settled.

Seconded by Councilor Bolduc. **On a roll call vote, the motion passed unanimously.**

No business will be conducted after the non-public session.

On motion of Councilor Lahey and seconded by Councilor Lipman, it was voted to come out of non-public session.

Councilor Bolduc moved to seal the minutes for two years, seconded by Councilor Hamel. **Motion passed unanimously.**

ADJOURNMENT:

At 9:35 p.m. a motion was made by Councilor Bolduc to adjourn. Seconded by Councilor Hamel. **Motion passed unanimously.**

A True Record Attest:

Mary A. Cote
City Clerk