



**LACONIA CITY COUNCIL MEETING
FEBRUARY 10, 2014
CITY HALL – CONFERENCE ROOM 200A
7:00 P.M.**

CALL TO ORDER:

Mayor Edward Engler called the meeting to order at the above date and time.

SALUTE TO THE FLAG:

Councilor Brenda Baer led the Salute to the Flag.

ROLL CALL:

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

All Councilors are present and there is a quorum.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

1. Regular Meeting of January 27, 2014

Mayor Engler request a motion to table the adoption until the February 24, 2014 meeting.

*Councilor Bolduc moved to table the approval of the regular meeting minutes of January 27, 2014 until the February 24, 2014 meeting. Seconded by Councilor Baer. **Motion passed unanimously.***

CONSENT AND ACTION CALENDAR:

1. Request by Lakeport Association to raise funds on City property and to waive vendor and site review fees for use of City parking lot on Railroad Avenue in Lakeport during Motorcycle Week. This is the same request approved by the Council in previous years.

Councilor Hamel moved to approve the request by the Lakeport Association to raise funds on City property and to waive vendor and site review fees for use of City parking lot on Railroad Avenue in Lakeport during Motorcycle Week. Seconded by Councilor Baer.

Mayor Engler asked what activity will be taking place to raise funds. Councilor Bolduc replied that they would be parking cars. Mayor Engler asked to have the motion reflect this activity.

*Councilor Hamel amended his motion to approve the request by the Lakeport Association to raise funds on City property **by parking cars** and to waive vendor and site review fees for use of City parking lot on Railroad Avenue in Lakeport during Motorcycle Week. Seconded by Councilor Baer.*

Motion passed with five (5) Councilors in favor and Councilor Bolduc abstaining.

Mayor Engler requested a motion to suspend the Council Rules of Procedure to review an item under New Business at this time.

*Councilor Baer moved to suspend the Council Rules of Procedure. Seconded by Councilor Bolduc. **Motion passed unanimously.***

Item #1 under New Business was addressed at this time.

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS:

Heritage Commission: *(1 full member and 1 alternate vacancy)*

1. Catherine Tokarz - seeking appointment as a full member for a 3-year term expiring 2017

Ms. Tokarz reviewed her qualifications with the Council. As a resident of the City since 1972, Ms. Tokarz has been active in the community in other areas and she feels that it is time for her to begin giving back again. The Heritage Commission is very dear to Ms. Tokarz with her family being active in moving and restoring a tavern on Parade Road in the late 1970's. Ms. Tokarz asked the Council to consider her appointment and noted that she will be a gracious member of the Heritage Commission.

Councilor Bolduc thanked Ms. Tokarz for coming forward.

Mayor Engler thanked Ms. Tokarz for attending and advised that appointment will be taken up at the next meeting on February 24, 2014.

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

1. Melanson Heath & Company with the CAFR for the year ending June 30, 2013

City Manager Myers began by thanking the Finance Director Donna Woodaman and Assistant Finance Director Raquel McCutcheon for their efforts to prepare the Comprehensive Annual Financial Report (CAFR). City Manager Myers introduced Pat Mohan to review the CAFR. ***A copy of the CAFR is available on-line as well as in the City Clerk's Office for review.***

Mr. Mohan reviewed the various statements within the CAFR.

Councilor Lipman commented that the "Statistics" section, particularly page 67, of the CAFR has some information that is worth discussing for the public because it reflects the debt service amount and the position of the City at this time. When looking at the last decade and the projects that have been completed the percentage of the budget that is being spent on debt service is favorable to the City. The City has an unused capacity of \$151 million for debt service therefore the City is using a very small percentage of the threshold of debt capacity which is good when considering the other projects that were completed. The debt limited is derived as being 3% of the total assessed value of the City.

Mayor Engler explained that the ratio of principle and interest payments which has ranged from 6% to 8.5% of the total budget over the last several years is being referenced by Councilor Lipman.

Councilor Bownes clarified that in terms of the bonded debt that the City is carrying it is a low figure and asked what margin that leaves for bonding in the future. Councilor Lipman replied that the limit is approximately four and one half times what is currently outstanding, not that it should be used, but legally the City could carry that amount if they had to.

Mr. Mohan commented that the City did not receive a Management Letter this year which is a very big deal. There were minor recommendations but none that rise to the level of being noted in a Management Letter. Out of all of the companies that are audited by the firm each year only a few do not received a Management Letter because the Internal Controls are managed and maintained in an appropriate manner. Mr. Mohan added that the tighter controls that are being handed down each year are being addressed in a manner that is appropriate and that is due in large part to the active involvement of the Finance Department, Water Department and Schools to ensure there practices are sound. Mayor Engler congratulated all.

Mr. Mohan noted that the City received this recognition three (3) years ago as well.

Mayor Engler thanked Mr. Mohan for his presentation.

City Manager Myers thanked the Council, current and past, for their efforts to keep the City in a good financial position because a strong report is several years in the making and it takes everyone to make it happen.

Councilor Bownes commented that it is the City Councils work over the last two years that contributed to the results and they should be congratulated for what they did.

Councilor Hamel commented that it is amazing that the projects that have been completed have been done so frugally and it shows.

Councilor Bolduc added that funds were not just spent to be spent and it has all worked out well.

2. Assessing Presentation

Assessor Jon Duhamel addressed the Council and stated that his goal this evening is to give the Council an idea of what the values are going to look like for the 2014 update, which is done each year. Assessor Duhamel reviewed the sales summary, style summary, average and median sales price and land values for one (1) acre lots. Mr. Duhamel added that he does not predict a large change in the values based on the figures presented.

Councilor Lipman commented that the reason this presentation was requested is because when the tax rate is estimated it is based on the expected valuation and this information is interesting, as well as well presented, but the question is that methodologically how can we come up with an estimating technique that will give a more precise value of what the actual tax rate will be. City Manager Myers replied that the hope is that when looking at the trends, and taking into consideration the classifications of property types in the City are over 100, it makes it complicated when trying to make predictions. If there are very few or single sales for a classification it is going to have a larger impact than for a classification that has dozens of sales. Just because values go up or down does not mean that it is applied to all property classes equally. As was indicated the change in land values that took place last year, after not adjusting for a few years, caused a spike and the projection will be more predicable this year. It will be monitored closely and an amended number can be brought to the Council before the budget is approved.

Mayor Engler commented that he feels a key question being asked by the Council is what happened in the two months between the budget being adopted and the MS form being submitted that cause such a drastic change in value of \$50 million. Councilor Lipman added that he does not feel that looking at sales is a good methodology because there is a large amount of properties that are not selling and they need to be included because they have an impact.

Mayor Engler requested that Mr. Duhamel explain why there was a drastic difference. Mr. Duhamel replied that when he was looking at sale price compared to assessed value and there was a need to look at the land value as well, and this year the land value is holding consistent. This would indicate that a drastic change is not anticipated this year.

Councilor Bownes asked if there is something “magic” about what the Department of Revenue Administration (DRA) does with this information if it is not predictable for the City. City Manager Myers replied that staff provides the information and the DRA, which also set utility values which is outside of the City’s control, looks at everything and makes the calculations to affirm the math done by the municipalities.

Councilor Lipman asked if using a rolling 12 months would make it more useful when making analysis. City Manager Myers advised that there has been work done on this through networking within the assessing community and they are still working. The tax rate is reflective of the assessed value and when there is a discrepancy there is always the question of how and why it happens.

Mr. Duhamel commented that as the tax year ends he will bring the information back to the Council so they have a well-rounded set of information. Councilor Lipman requested to have a rolling 12 months represented. Mr. Duhamel commented that he can provide this but he will not be able to use those figures when making his determinations because he is bound by statute as to what time frame he can use. City Manager Myers replied that for trend they will work on this information.

Councilor Hamel asked for an explanation of the sale price by style. Mr. Duhamel explained that the sheet gives the information for a classification not individual sales. Councilor Hamel commented that many of them are trending less and asked if they should be planning for a drop in the assessed value. City Manager Myers replied that if we look at the total ratio rather than for each category it is a better indication of the total, although each category is handled individually.

MAYOR’S REPORT:

Mayor Engler noted that the Sled Dog Derby is on schedule for this weekend and Governor Hassan will be at the event on Saturday at the Start/Finish line.

Mayor Engler commented that there are several vacancies among the various Boards and Commissions within the City and they have been posted throughout the City as well as published. Mayor Engler encouraged the community to come forward and fill these vacancies.

Mayor Engler commented that the issue of primary elections in the City has been brought forward because of the pathetic turnout. The Council was asked to consider this action for the next few weeks and to consider a motion to refer this item to the Government Operations and Ordinances subcommittee or have the item placed for discussion among the entire Council. Mayor Engler asked the Clerk to place this item under New Business on the February 24 agenda to discuss.

Councilor Baer asked if this would require a City Charter change and if there is enough time to complete the change. City Manager Myers replied that it does require a Charter change and that there is sufficient

time to do so. Councilor Baer asked if a petition is needed. City Manager Myers replied that it is not and the Council can initiate the change. There is sufficient time for the change.

Councilor Lipman asked if the City Clerk can do research for the Council to indicate how many election days would still be held because there is an alternate election, such as State or Federal, being held in conjunction. City Clerk Reynolds replied that the City is not permitted to hold an election, other than School Board, in conjunction with State Elections. Mayor Engler commented that the City Clerk has prepared information for the City Manager and it will be shared with the Council.

CITIZEN REQUESTS TO COMMENT ON CURRENT AGENDA ITEMS: NONE

COMMITTEE REPORTS:

1. FINANCE: (Lipman, Hamel, Baer)

- a) WOW Trail Fund
- b) Downtown TIF Financing

No report on any item in committee

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

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

No report on any item in committee

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

- a) Energy Committee
- b) Vending and Licensing Fees
- c) Chapt. 119, Building Construction regarding signed architectural plans for residential units
- d) Proposed Ordinance Governing the Discarding of Furniture and Other Personal Items Curbside

No report on any item in committee

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

- 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

No report on any item in committee

LIAISON REPORTS:

Councilor Hamel reported that there was a meeting of Lakes Region Public Access (LRPA) and it was discussed that the old way of funding is not going to continue. They are looking at alternative means of funding and trying to get participation from municipalities at a lower fee. There is also the issue of who is going to provide public access.

MANAGER'S REPORT:

City Manager Myers reviewed the Recycling Report, Financial & Operational Trends Report, and the Project Updates.

Councilor Baer asked how the Binnie Media property and the newly purchased Holy Grail property will affect the TIF District funding. City Manager Myers replied that they will be assessed and used contribute to the TIF.

Councilor Bolduc commented that curbing is not mentioned in the paving of Morrill St. City Manager Myers replied that he will look into this.

Councilor Hamel asked if there can be something worked out with the paving of the sidewalk at Laconia High School where the busses drop off when they are doing Gilford Avenue. City Manager Myers replied that he will look into this.

Councilor Lipman asked what the status of the sign ordinance is. Planning Director Shanna Saunders replied that the Planning Board will be holding a public hearing to gather input and then a final draft will be available.

Councilor Hamel commented that he has noticed that when the car dealerships on Union Avenue have a delivery made they are parking in the road and causing motorists to travel into the wrong lane of travel. This is dangerous and is going to eventually cause an accident. City Manager Myers replied that he will make the appropriate contact.

Councilor Bolduc asked if the roof repairs at the Weirs Community Park have been completed. City Manager Myers replied that he is assuming they have been if Director Dunleavy placed them in the report but he will confirm.

City Manager Myers commented that SB 333, which has passed the Senate and is going to the House, would remove the taxation of year round vehicles in camp grounds. This has been supported in case law in the past. There is belief that 400 parcels would be impacted with a taxable value of approximately \$10 million.

Councilor Doyle asked how the registration as a motor vehicle effects the tax. City Clerk Reynolds explained that if the camper is registered in any State then it is not assessed a property tax because it is then considered double taxation.

Councilor Bownes asked if the Municipal Association has taken a position on this bill. City Manager Myers replied that they have not because there are different stakes for the municipalities. There are some communities that have not been taxing this way although the City has been taxing as the law allows. There is the argument from campground owners that they lose business to communities that don't tax on campers as real estate.

City Manager Myers reviewed the tagging program with the Council. The City will be "tagging" certain projects or initiatives that have generated a significant amount of community interest. This initiative will be a collaborative effort with the Laconia Daily Sun and the Citizen newspapers, which will be applying the same tag to their articles. The tag assigned by the City can be used to search all online content associated with the item through the search engine of your choice. You can also search the City site using the assigned tag to view all associated content posted to the City website. A variety of information will be available for review including: agendas, minutes, and other reference materials. A

search of external content through a search engine may reveal information or opinions posted to blogs, or social networking sites. The tagging program will begin with the Main Street bridge project. The tag will be **#laconiamainstbridge**.

NEW BUSINESS:

1. Renaming a portion of Primrose Drive South to Aavid Circle

City Manager Myers explained that when Aavid came to the Council requesting the change there was opposition from the neighbors and it was requested that Aavid and the other businesses work out a compromise that was acceptable to all parties. At this time the City has received letters of support from the businesses on Primrose Drive South in support of renaming a smaller portion at the end of Primrose Drive South to Aavid Circle.

Mayor Engler asked for anyone in attendance that would like to address this issue to come forward.

Norm Soucy, Vice President/General Manager of Aavid, welcomed Councilor Bownes and Mayor Engler to the Council. Mr. Soucy advised that a resolution was come to with the other business owners on the street and that has been accomplished. The corporate headquarters of Aavid moved to the City approximately eight (8) months ago and since this time they have added six (6) full time positions and has created tremendous press for the City through one of its largest customers, General Electric (GE). Aavid is also celebrating 50 years of incorporation and doing business in the City; Mr. Soucy thanked the City for assistance in making Aavid a viable company for the community, customers and employees. Mr. Soucy requested the Council approve the request as presented.

Councilor Bownes asked if there were any objections that Mr. Soucy is aware of. Mr. Soucy replied that there are none that he is aware of. Councilor Bownes noted that those that have issued letters of support had spoken in opposition at the last discussion and it appears everyone is on the same path. Mr. Soucy replied that in addition they have received letters from the tenants of property owners as well.

Councilor Hamel commented that he would like to have a motion include a request to have the street sign at the end of Primrose Drive South be inclusive of Aavid Circle for recognition purposes. City Manager Myers advised that this is a technical item and is planned to be done with a sign under Primrose Drive South indicating it is a feeder street to Aavid Circle.

*Councilor Lipman moved to change the end of Primrose Drive South the Aavid Circle as indicated and to direct the City Manager to take necessary actions to ensure proper signage. Seconded by Councilor Bolduc. **Motion passed unanimously.***

2. Proposed Language for an Ordinance Amending §235-18. Floodplain District

Planning Director Shanna Saunders reviewed the proposal with the Council. Director Saunders emphasized that the language has been presented by FEMA and will bring the ordinance to federal standards and will allow residents to continue to participate in the National Flood Insurance Plan.

Councilor Bownes questioned the impact on projects happening now and if there is going to be a retroactive effect. Director Saunders replied that the practice of the Planning Board has been to request that the floodplains be put on the subdivisions and site plans. As far as additional staff time there will not be any but it will mean that there will be a better handle on roadway development within a floodplain to ensure the roadways are constructed with floodplains in mind.

Councilor Bownes asked if any developers spoke before the public hearing held at the Planning Board. Director Saunders replied that no one spoke but the Conservation Commission did request to review and did not request any additional changes.

Councilor Lipman asked if there is a retroactive effect. Director Saunders replied that it is not and it would apply to projects approved by the Planning Board moving forward. Director Saunders reiterated that as a practice the floodplain line has been required so the engineers of the structure have been aware. It is not anticipated that this will have a large impact on engineers moving forward.

Councilor Bownes commented that if we have been using comparable standards there should not be much impact.

Councilor Lipman asked what can be done this evening procedurally. Mayor Engler advised that although this is an ordinance change a public hearing is not required because it has been held by the Planning Board. In discussions with the City Manager it was thought that it would be wise to postpone action until the next meeting to allow for public comment, should they choose to, before it is acted on. This is the same opinion for the next ordinance proposal on the agenda. Director Saunders added that copies of the ordinance are available in the Planning Department should anyone want to review it.

Councilor Hamel asked why the Zoning Board is being required to notify applicants if they are not within the floodplain levels they will receive an increase in flood insurance if this is a requirement of the Federal Government. Director Saunders advised that this is applicable to an appeal; if an applicant applies for a variance to this portion of the zoning they will be affected by this term and the Zoning Board will be notify them as a warning.

Councilor Bownes asked what the harm is with having the public hearing. City Manager Myers advised that it would need to be advertised as such but the Planning Board has already met this requirement. With the material not being approved for an additional two week and the material being available online with the agenda packet it is acceptable to not hold a public hearing at the Council level.

Mayor Engler advised that if Councilor Bownes would like to recommend a public hearing a motion would be in order. Councilor Bownes replied that although a public hearing could be held and no one could come but the Council could then be assured that they have fulfilled their responsibilities, although they could not that a public hearing was held by the Planning Board.

Mayor Engler asked if the entire language needs to be posted when posting this item as a public hearing. City Manager Myers replied that it would be posted and published as title only. Mayor Engler asked what the cost of publication would be. City Clerk Reynolds replied for this item and the following it would approximately \$110.00.

Councilor Lipman commented that he understands the position of Councilor Bownes but that he would be satisfied with deferring action and ensuring it will be on the agenda at the next meeting for approval. The results would be the same without the expense. These are Federal guidelines that are not negotiable.

Councilor Bownes commented that there are developers that do not have a lot of experience that are not going to understand how this was passed without input. A public hearing should be held if the process warrants it because it is a two tier process.

*Councilor Bownes moved to hold a public hearing on the proposed ordinance amendment on February 24, 2014 during the regular Council meeting. Seconded by Councilor Hamel. **Motion failed on a 1-5 vote.***

Mayor Engler instructed to have this amendment place on the February 24 agenda under Unfinished Business.

3. Proposed Language for an Ordinance Amending §235-40 (c). Cluster PUD

Director Saunders explained that up until 1996 large developments, such as those that include club houses and large recreational areas, were designed and planned under the Planned Unit Development (PUD) ordinance. In 1996 this was repealed and replaced with the cluster ordinance which was designed to leave more open space. With the repeal of the PUD it left a number of developments that were built under it without regulations when they had units left to build out. The Planning Board has always gone with the same practice of exceptions with the cluster ordinance as they did with the PUD. In a recent lawsuit it was brought up that there is no code specifying how to regulate these specific developments. Legal counsel has requested that this language be added to the code to state that if a development was approved under a PUD they will forever be regulated under PUD language.

Mayor Engler asked how many PUD developments would be covered. Director Saunders replied that approximately a half dozen but did advise that all of South Down and Long Bay are covered by this and there are many units.

Councilor Bownes asked if anyone attended the public hearing held by the Planning Board. Director Saunders replied that no one came to the public hearing.

Councilor Baer commented that this is a language change rather than an ordinance amendment. Director Saunders replied that this is an addition immediately following the cluster development ordinance.

Mayor Engler instructed to have this item placed on the February 24 agenda under Unfinished Business.

4. Proposed Welfare Guideline Revisions

Finance Director Woodaman reviewed the proposed changes and advised they have been reviewed by legal counsel.

Councilor Lipman commented that he has no issues with the proposals and asked how requests for medical assistance are being handled when taking into account that they may qualify for expanded healthcare coverage from other programs. Finance Director Woodaman replied that no procedural changes have been made at this time. Councilor Lipman replied that there may be benefits available from a different level rather than local taxpayers. Finance Director Woodaman replied that in most cases it is an interim relief but it can be looked at further.

Councilor Bownes commented asked if there is a change for reapplication because of an issue involving abuse of the procedure because some people really need this assistance and the issue on non-compliance can have varied reasons. Finance Director Woodaman replied that there has been an issue and at the advice of legal counsel it has been suggested to strike this from the guidelines because it would give the City the opportunity to have flexibility with providing assistance for those that have been noncompliant. There have been clients that have failed to meet requirements and this give more leverage. This does not mean that the City is trying to avoid providing assistance.

Councilor Bownes commented that someone could be involved in a situation that is completely out of there control and this would allow the City to ban there application for any future needs they may have and this causes alarm. Finance Director Woodaman replied that someone may not have completed the

necessary steps to keep the other sources of assistance that they are receiving and they are then expectant of the City to fill the void.

Councilor Lipman advised that the City should be the source of last resort and this is an attempt to protect the City from instances where someone is not taking responsibility for receiving alternate benefits. Councilor Bownes replied that this is not what this language does. Councilor Lipman noted that an edit could be made to address this concern. Councilor Bownes stated that he agrees that the City should be the payer of last resort but there is nothing in the language that doesn't give the department full discretion to deny based on prior history without making the change; the language does not need to be struck from the guidelines.

Mayor Engler confirmed that the language being stricken granted people the right to file a new application after six months. Finance Director Woodaman replied that this is correct. Mayor Engler further asked if by taking this provision away it would remove the right to reapply all together or would it allow for the discretion of the department to allow them to file again. Finance Director Woodaman replied that you can always refile for assistance but it does give the Welfare Technician discretion when approving applications.

Finance Director Woodaman explained that when someone requests an application the department uses the precedent that the situation of the individual is going to be the same in six (6) months. If a request for assistance is needed there may be a request to file a new application or the prior can be referenced.

Mayor Engler asked what the practical application of the process is. Finance Director Woodaman replied that they are trying to prevent applicants seeking assistance that are non-compliant with fulfilling their obligations to receive other types of assistance and the City is then not obligated to provide assistance. If an applicant fails to complete their assistance with the State there is the expectation that the City will fill the void.

Councilor Hamel asked if the RSA referenced encompasses the wording in the guidelines. Finance Director Woodaman replied that this had been incorporated into our guidelines at some point in time.

City Manager Myers commented that he understands the direction Councilor Bownes is going and if the Council would like to refer this item to the next meeting clarification can be made.

Mayor Engler offered to entertain a motion on the second item. Councilor Lipman recommended making the changes all together at the next meeting.

City Manager Myers requested that if there are any remaining questions for the other items to submit them prior to the next meeting.

Mayor Engler asked if the changes would take effect immediately upon approval. City Manager Myers replied that they would.

Mayor Engler instructed to have this item place on the February 24 agenda under Unfinished Business.

Councilor Lipman commented that from a public relations standpoint there was a time when there were concerns about the administration of the Welfare Guidelines and he has not received comments with concern in a long time. This indicates the interactions with the public are improved.

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: NONE

NON - PUBLIC SESSION: NONE

ADJOURNMENT:

*Councilor Bolduc moved to adjourn at 9:12 p.m. Seconded by Councilor Hamel. **Motion passed unanimously.***

Respectfully Submitted:

Mary A Reynolds
City Clerk