



**LACONIA CITY COUNCIL MEETING
FEBRUARY 23, 2015
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 Robert Hamel led the Salute to the Flag.

Mayor Engler welcomed City Clerk Reynolds back from her leave.

ROLL CALL:

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

Mayor Engler noted a quorum is established.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

1. Regular meeting minutes of February 9, 2015

*Councilor Bolduc moved to approve the regular meeting minutes of February 9, 2015. Seconded by Councilor Hamel. **Vote was 6-0 and the motion passed unanimously.***

CONSENT AND ACTION CALENDAR:

1. Temporary Traffic Order 2015-1, Laconia Little League Opening Day Parade

*Councilor Bolduc moved to approve Temporary Traffic Order 2015-1, Laconia Little League Opening Day Parade. Seconded by Councilor Lipman. **Vote was 6-0 and motion passed unanimously.***

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PUBLIC HEARING:

1. Declaring City-owned property located at 21 Elm Street as surplus

Mayor Engler opened the public hearing at 7:03 p.m. by stating the notice of this public hearing was posted in the Friday, February 13, 2015 edition of the Laconia Daily Sun, at City Hall, the Gale Memorial Library, the Laconia Community Center and the offices of the Laconia School District.

Attorney Rod Dyer addressed the Council. Atty. Dyer is the representative of Blizzard Inc. and noted that the only issue this evening is to determine if the property is surplus at which time there would be the opportunity to lease or sell the property. Atty. Dyer referenced the history of the property becoming property of the City in 1958 and the lease that was conducted in 1985 to Blizzard Inc. with the requirements of that lease as well as the building of a structure on the property. There has have been substantial payments to the City for lease and property taxes in the estimate of \$500,000. If the City does not renew the lease of the property the building would become the property of the City but there has been no known public need for the property which is a narrow lot with no access other than the railroad which DOT has the right to remove access with 30 days' notice. Atty. Dyer added that there is a benefit to the City to declare the property as surplus is the payment they would receive, which Blizzard Inc. has offered \$331,000 for this lot to be placed on the tax rolls.

Attorney Suzanne McKenna addressed the Council. Atty. McKenna is the representative of Irwin Marine. Atty. McKenna commented that the address noted is for the improvement for the property there is a separate tax card for the land itself. Atty. McKenna requested clarification on the process involved if the property were to be declared surplus and noted that City Code requires that the property be placed in a competitive bid process.

Warren Hutchins, 31 Boathouse Road, addressed the Council as a resident and not the Chair of the Planning Board. Mr. Hutchins commended the building currently on the land because it has been maintained adequately and fits in with the Master Plan. Mr. Hutchins encouraged the City to retain parcel closest to Union Avenue for safety reasons including the wall that is in place supporting Union Avenue. With so many aspects to this piece of property it should be divided and the land should remain with the City.

Dorothy Duffy addressed the Council. Ms. Duffy stated that she has no interest in the building bit does have interest with the strip of land. Ms. Duffy noted that there have been many old houses in the City demolished to accommodate parking and the land would be ideal for parking. Looking to the future is needed and there is a lack of parking in Lakeport.

With no other members of the meeting wishing to speak Mayor Engler closed the public hearing at 7:20 p.m.

PRESENTATIONS:

1. Belknap County Commission and Laconia Legislative Update

Mayor Engler explained the Commission and Legislators were invited to this meeting to review the legislation that would impact the City and the budget for the County. Last year the City contribution to the County budget was approximately \$2.6 million (19%). The maximum amount of increase the City can withstand is \$85,000 this year, at 3.3%, to remain within the Tax Cap. Councilor Lipman commented that the desire is to keep the increase at 1.7% because 3.3% is the blended rate and not strictly the CPIU. City Manager Myers confirmed.

Mayor Engler introduced County Commissioners Richard Burchell (Chair), David Devoy and Hunter Taylor. Representatives Frank Tilton (Chair) and Robert Luther were also in attendance to represent the County Delegation.

Chairman Burchell addressed the Council and reviewed his proposed budget plan containing a 3.3% increase.

Mayor Engler asked what the information presented is representative of with the budget. Chairman Burchell replied that the baseline was the prior Commissions budget and it was worked down to the current proposal work from a 10% increase down to a manageable increase. Chairman Burchell added that he is working with a realistic approach and does not want to come back and have to do a supplemental appropriation later and that using a business manager model will be most beneficial to the County.

Councilor Hamel asked for an explanation of the “fee for service” aspect of mental health care and the elimination of Genesis Healthcare funding. Chairman Burchell explained that if there is a need the County is responsible for providing services and the funding is in addition to the \$100.00/hour fee charged and the \$34,000 would not be a prepayment to Genesis.

Councilor Hamel confirmed that there is funding being put in for the schematic design of the corrections facility. Chairman Burchell confirmed there is. Councilor Hamel recommended looking at the old piece of the facility and see if it is really worth renovating or building a new one. Chairman Burchell replied that he feels the facility can be renovated and there is confidence it can be fixed with the detailed analysis that was completed by the facility staff. The Superintendent feels some areas will need to be closed and that is probably correct.

Councilor Hamel asked if the Commission has taken the “Cadillac Tax” on health insurance into consideration or dealt with. Chairman Burchell replied that he is not on the union negotiations committee but is with the understanding that it is being explored and that a recommendation has been brought forward by the unions to have a higher deductible to reduce the premium cost. There are currently no contracts between the unions and the County.

Councilor Baer commented that there are continued references to Sullivan County and asked how it compares to Belknap County in regards to the inmate to staff ration. Chairman Burchell replied that the model used by Sullivan County is ideal and the average count for the jail is in the low 90’s. The Sullivan County model consists of everyone being in class or working and while it is an expensive model to follow it is a model that works. Sullivan County was fortunate to receive many grants and Chairman Burchell does not feel the County will be able to receive as many.

Mayor Engler invited the other Commissioners to address the Council should they choose.

Commissioner DeVoy addressed the Council. Comm. DeVoy explained that the budget presented by Chairman Burchell is not the budget of the Commission; in fact there was a work session held at which time Comm. Taylor and Comm. DeVoy voted on a different budget without personnel cuts. Comm. DeVoy added that the budget they are proposing is an increase of 1.96% and the thought is that they will handle cuts as they are necessary and to not lay off any staffing at this time. Comm. DeVoy reviewed the proposal that Comm. Taylor and Comm. DeVoy has been working on with the Delegation.

Mayor Engler asked for an explanation on the revenue issue. Comm. DeVoy explained that the prior Commission made large cuts in expected revenues and when staff was consulted it was unknown how the prior Commission developed the information. Comm. DeVoy and staff then looked at historical information and estimated that \$500,000 would be lost in revenues from 2014 and the budget was adjusted accordingly. There is \$200,000 set aside in contingency in the event the revenue is decreased.

Mayor Engler asked what the increase percentage goal is for Comm. DeVoy's budget proposal. Comm. DeVoy replied that it is 2%. Mayor Engler inquired as to how the jail planning would fit into this proposal. Comm. DeVoy replied that there is funding for a consultant, with a report being submitted within 90 days, followed by an architectural bid process, for a total cost of \$479,000 in the budget.

Comm. DeVoy commented that he has been considering Tax Anticipation Notes to building the corrections center and pay interest only until current bond payments are completed in 2017 and 2018 at which time regular payments would begin.

Councilor Bownes asked where the \$7 million figure is coming from and asked if Comm. DeVoy shared Chairman Burchell's concerns about the Sullivan County model not being practical over the long term. Comm. DeVoy replied that it is not practical to do nothing and he believes these programs will help. With limited resources it needs to happen. The amount came from the expenses of Sullivan County when they did an upgrade to their facility. Councilor Bownes added that you cannot have success without a program system and he is thankful this is being included.

Comm. DeVoy stated that he is in support of a business model form of operating and as people retire reorganization will be done to help fund the programs that are needed.

Mayor Engler asked if there is an estimate of staffing needs and cost to implement the Sullivan County model at the facility. Comm. DeVoy requested to have Superintendent Daniel Ward speak to this area.

Supt. Ward explained that the reason a Program Coordinator, at a cost of \$39,000, is being placed in the budget is to come up with the staffing and program cost to mimic Sullivan County, as well as what programs will be offered at the facility. Any information at this time would be a complete guess but the expectation would be to add approximately four (4) program staff and additional corrections staff of an unknown amount. Supt. Ward referred back to Sullivan County being staffed with approximately 55 correctional officers; Belknap County has 24 correctional officers and five support staff/administrators. Statistically more people are processed than Sullivan County at approximately 2,000 per year, with an average daily population of 90-110.

Mayor Engler confirmed that there are only 24 correctional officers at Belknap County. Supt. Ward confirmed this and stated that they are significantly understaffed and have not seen a staffing increase

in 26 years. It is unrealistic to think operational costs will not increase moving forward but, as Comm. DeVoy stated, doing nothing is not an option.

Comm. DeVoy commented that cost is unknown and adjustments will need to be made as time goes on.

Mayor Engler asked what the timeframe for the process is. Comm. DeVoy replied that he sees construction beginning in 2016.

Councilor Lipman asked how the \$7 million cut to the nursing homes will impact Belknap County. Comm. DeVoy replied that there has been a \$500,000 cut budgeted and he feels there will be significant political blow back from the cut. Additionally, if the numbers are cut and the funding is there is cannot be used and would roll into the General Fund rather than for operational expenses.

Councilor Hamel commented that the \$7 million has already been cut by the Governor. Comm. DeVoy replied that the Governor presented the cut and there are bills in the legislature now to prevent these cuts from happening.

Councilor Bownes asked if either budget presented accounts for the current lack of staffing and how this is going to be addressed over the long term. Supt. Ward replied that the current Commissioners voted to support the budget from last year that included two (2) additional corrections officers and one (1) community corrections officer. This will impact the facility from a security and occupancy perspective because more people will be out on home confinement, work release and electronic monitoring with the additional community corrections officer. The additional corrections officers will help fill a small gap but it will not solve the problem.

Councilor Lipman requested to review the financing of the corrections facility project. Comm. DeVoy replied that with the Delegations permission he would be looking at a \$7 million bond with the first two (2) years being interest only Tax Anticipation Note. After the facility funding is dealt with they will address the staffing issues and will modify as needed.

Mayor Engler asked if Comm. Taylor had anything to add. Comm. Taylor seconded Comm. DeVoy's statements and added that they are very much committed to dealing with the jail situation that is long overdue.

Mayor Engler thanked the Commissioners and recognized Representative Tilton as Chair of the Belknap County Delegation.

Rep. Tilton explained that the Delegations roll in the process is to review the budget to establish appropriations and the Commissioners run the County. For clarity the budget process, which is down to the last month and must be completed by March 30 to avoid a default budget, needs to be separated from the legislative process. As the Delegation they have a target increase of no more than 2% in property tax to the municipalities. The Delegation is trying to be conservative and not to overestimate revenue but to come in at a realistic budget.

Within the budget there are a few items mentioned already tonight. The Delegation would like to make sure the initial jail planning is in the budget because there has not been an appropriation in two (2) years. The project will be long term but the Delegation would like to get it started and the line item of "Jail Planning" has been added to the Correction Departments budget and the consultant has been

brought on board as a commitment to start the process. There could be an additional \$400,000 added to the Jail Planning line and if it is not expended it would be carried over to the subsequent year. Without the budget being approved at this time it is not guaranteed that the \$400,000 will be in the budget when it is approved in a few weeks. Additionally, repairs in the existing jail will also need to be addressed because the facility cannot carry on in the current condition and waiting until the facility project starts is not an option.

Mayor Engler asked if the convention has addressed the revenue side of the budget. Rep. Tilton replied that they have heard from the Commissioners what their predictions are but they have not calculated the impact but have gone through the expenditure estimates and added them into the working budget.

Rep. Tilton commented that the Delegation did provide funding for two (2) additional correction officers in the last budget but they were never hired. This would have reduced the in-house costs but the Commission did not fill the positions at the time.

Councilor Baer asked when the Council can expect to see the final budget. Rep. Tilton replied that it should be available in three (3) weeks.

Councilor Hamel asked what the 2% equates to in dollars. Rep. Tilton replied that if the City's bill last year was \$2.5 million the increase at 2% would be \$50,000.

Councilor Hamel commented on a letter that was drafted and sent to Councilor Joe Kenney regarding the "Bed Tax" and how it is going to be calculated because they are not getting any answers over the issue. Councilor Hamel asked how this is going to be anticipated in the County budget if the State hasn't done anything with it yet. Rep. Tilton replied that he has not seen the letter and the \$7 million refers to the existing budget that expires in June. Comm. DeVoy noted that the letter is in regards to the 2016 budget and the managed care program the State has decided they want to try and implement and would result in huge cuts to the County. Councilor Kenney has been contacted in hopes that he will be able to assist with the issue.

Councilor Lipman asked if there is anything on the legislative horizon that would be effecting the City, such as the capital matching of River Basin projects. Rep. Tilton replied that he is confident the capital matching issues will be taken care of in the appropriate committee. It was also pointed out that the Delegation and subcommittee would support the Genesis proposal being in the budget because the allocation is a share of operating expenses for Genesis for the entire County.

Mayor Engler asked if Rep. Luther would like to make any comments. Rep. Luther replied that he feels very strongly that Genesis needs to be funded and that the County is changing its business model and some cuts are going to be made because they are committed to a 2% cap on the budget increase.

With no other comments or questions, Mayor Engler thanked everyone for taking the time to present to the Council this evening.

2. Planning Grants Received

Planning Director Saunders reviewed a prepared presentation regarding grants received from the Department of Environmental Services Watershed Assistance Grant for Weirs Beach Low Impact Design and Stormwater Best Management Practices, Department of Transportation-Transportation Alternative

Grant for Downtown Safe Routes to Schools and Department of Environmental Services Source Water Protection Grant for the Black Brook Watershed Management Plan.

3. Medical Marijuana Zoning Ordinance

Director Saunders reviewed the proposed ordinance and the conditional approval zones. It was noted that this proposal covers only Zoning and the Council will still have the option to develop a licensing process.

Director Saunders noted that a public hearing was held on February 11, 2015 regarding the proposal and there was few in attendance. The only person speaking at the public hearing was interested in the application process with the State and they were referred to the State for this.

Mayor Engler noted that this topic will be discussed for action under New Business.

Councilor Lipman asked if the licensing process has been discussed with the Licensing Board. Director Saunders replied that it has but not on a formal level.

Councilor Hamel asked if the State will conduct a background check with the approval process. Director Saunders replied that they do but an added layer of protection would be encouraged through the Licensing Board.

Mayor Engler asked if it is legally possible to require local licensing. Director Saunders replied that it is not clear in the regulations.

Director Saunders advised that the ordinance amendment has been sent the City's legal counsel and they have approved it.

MAYOR'S REPORT:

Mayor Engler discussed the City's membership on the Lakes Business Park Commission, which administers the Lakes Business Park. It was previously noted that the City members were required to be two (2) members of the Council and the Mayor as Chair; it has since been discovered that this is not the case. Councilor Baer has resigned her position and the search will begin for a member of the public to fill the vacancy.

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) Chapter. 119, Building Construction regarding signed architectural plans for residential units
- d) Ordinance Amending Chapter 221, Vehicles and Traffic/Parking on Sublawns

No report on any item in committee

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

- a) Review of Department of Public Works Road Cuts Policy and Manhole Construction/Paving Procedures

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: NONE

MANAGER'S REPORT:

City Manager Myers reviewed the pilot program to assist the Council in going paperless with their agenda and attachments to reduce costs. The City Manager, Finance Director and City Clerk will be testing the use over the coming months to try and work out any issues there may be. The Council will be updated as the project progresses.

City Manager Myers reviewed the Project Updates report.

City Manager Myers distributed a current budget and budget outlook summary to the Council and it was reviewed. City Manager Myers and Finance Director Woodaman are working on the proposed budget and will have it to the Council at the meeting of March 23.

Councilor Lipman asked what impact the supplemental appropriation had on the budget. City Manager Myers explained that the Department of Revenue Administration (DRA) is trying to use the most accurate data for the upcoming school year when determining the amount but that does not coincide with the budget year. As a result, the School Department found out they were going to receive an additional amount, approximately \$300,000, in adequacy funding that was distributed with a supplemental appropriation to give them the authority to use it in the current fiscal year or to place it in a reserve account, rather than have it flow into the General Fund. It is the understanding that the School Department will be requesting to place the funding into one or more reserve accounts.

City Manager Myers advised that the City auditors report will be coming before the Council on March 9.

Councilor Lipman asked if the report would be available before the meeting for review. City Manager Myers replied that it will be distributed as soon as it is available.

Councilor Lipman asked if the full Tax Cap amount what will the net amount budgeted be. City Manager Myers replied that it is shown in the revenue section of the summary handed out and he will review this section momentarily.

Councilor Lipman commented that the Council would like to have some time to make feedback so when department presentations are happening it won't be the first time a request is known. City Manager Myers replied that he is happy to work on the budget proposal in this manner and would prefer not to concentrate on an allocation that the Council is not comfortable with.

NEW BUSINESS:

1. Proposed Ordinance Amending Chapter 235, Zoning

*Councilor Hamel moved to vote on the passage of this ordinance by title only and to waive a reading of the entire ordinance according to Council Rule 28 (F) (1). Seconded by Councilor Bolduc. **Vote was 6-0 and the motion passed unanimously.***

Councilor Bownes moved to adopt the ordinance amendment to Chapter 235-42 of the Zoning Code with the insertion of section "K" for Alternative Treatment Centers/Medical Marijuana Dispensaries as presented. Seconded by Councilor Doyle.

There was an extensive discussion regarding the possibility of holding a public hearing at the Council level to ensure the public has had ample opportunity to comment. It was noted that the Planning Board did hold a public hearing that the Council can accept as the official public hearing for the purpose of adoption. The determination was to table this item and a public hearing be scheduled for the next meeting.

*Councilor Lipman moved to table until March 9. Seconded by Councilor Bownes. **Vote was 5-1 and motion is tabled.***

*Councilor Bownes moved to schedule a public hearing for March 9 during the regular Council Meeting regarding the proposed Ordinance amending Chapter 235, Zoning, regarding Alternative Treatment Centers/Medical Marijuana Dispensaries. Seconded by Councilor Bolduc. **Vote was 5-1 and the motion carries.***

2. Request to declare City-owned property at 21 Elm Street (Map 367, Block 71, Lot 26/1) as surplus property

City Manager Myers reviewed the process in the declaration of surplus property. This is an independent step that is not dependent on any other steps in the process such as the sale of the property.

Councilor Lipman asked about the reference to the land and building property cards mentioned during the public hearing. City Manager Myers replied that one is for the public parking spaces and the other relates to the land and building and this can be verified. The intent is for land and building to be declared surplus.

Councilor Lipman asked if voting to declare this property as surplus the Council is acting in a way to provide a manner for the Blizzard's to have an option to the property but the Council is making no commitment to sell the property. Mayor Engler confirmed this is correct. Councilor Lipman stated he feels the process should be move forward.

Councilor Bownes stated he has concerns regarding the declaration because of the possibility of subdivision and asked if the City would be able to retain the smaller strip of land in question. City Manager Myers replied that the City could subdivide and retain a portion, just as the City could make other contingencies on the property for development.

Councilor Bownes if the City could choose to lease the land rather than sell it. City Manager Myers replied that this would be within the City's rights as well.

City Manager Myers reiterated that the declaration of surplus does not give up any rights the City has on the property.

Councilor Hamel asked if there can be stipulation on the building and its use. City Manager Myers replied that he is unsure of the actual use but the City can require that the building be maintained at a taxable value of a minimum amount. The sale would be drafted to meet the intent of the Council.

Councilor Lipman moved to declare City-owned property at 21 Elm Street (Map 367, Block 71, Lot 26/1) as surplus property. Seconded by Councilor Baer.

Councilor Bownes asked if the City should be seeking a full assessment of the property. Mayor Engler replied that this will be on the agenda for the next meeting to discuss how the process will proceed.

Councilor Lipman commented that the Land and Buildings Committee could also take on this item to bring a recommendation to the Council.

Vote was 6-0 and the motion passed unanimously.

Mayor Engler asked the Council is they would like to refer this to committee or work as a Council of the whole. The general consensus was to work as a whole. Mayor Engler requested the City Clerk to place this item on the agenda for March 9.

Councilor Lipman recommended having an earlier meeting to discuss as a special item. Mayor Engler noted the discussion could begin at 6:30 p.m. as a workshop session and if the item is not completed it will be continued into the regular meeting.

3. Proposed policy change from the Department of Public Works for Road Cuts and Manhole Construction/Paving Procedures

*Councilor Bolduc moved to accept the proposed policy of the Department of Public Works titled 'Specialty Repair of cuts in Asphalt Roadway Surfaces' as presented. Seconded by Councilor Hamel. **Vote was 6-0 and the motion passed unanimously.***

4. Request to refer amendments to Chapter 173, Pawnbrokers, to Government Operations & Ordinances Committee and to schedule a meeting for review

City Manager Myers requested that this be worked through in a smaller group and a recommendation to be brought forward to the full Council.

*Councilor Bownes moved to refer amendments to Chapter 173, Pawnbrokers, to the Government Operations & Ordinances Committee. Seconded by Councilor Hamel. **Vote was 6-0 and the motion passed unanimously.***

*Councilor Hamel moved to remove item "a", Energy Committee, from the Government Operations & Ordinances Committee agenda. Seconded by Councilor Doyle. **Vote was 6-0 and the motion passed unanimously.***

*Councilor Doyle moved to remove item "b", Vending and Licensing Fees, from the Government Operations & Ordinances Committee agenda. Seconded by Councilor Doyle. **Vote was 6-0 and the motion passed unanimously.***

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 Hamel advised that LRPA picked up the Towns of Meredith and Gilford but Alton did not renew. They will be making a presentation to the City of Franklin next month in hopes of having them rejoin. It was discussed that Channel 26 is operated by City Hall and the Council meetings are being run live on that channel only and if a disc of the meeting is submitted to public access they will rerun on Channel 25; currently there are no additional airings of the meetings as there was before. City Manager Myers explained that the switch over for the City to be handling their own channel happened much quicker than anticipated and staff is working on programming the channel. Time is needed to do this and it is hopeful that it will be up and running with programming in the very near future. There will also be a push to have the meetings

Councilor Hamel noted that the fire station is having interference from weather but footings are going in this week. There is a meeting of the Land and Buildings Committee on March 6 at 4:00 p.m. at fire station to review the process.

NON - PUBLIC SESSION: NONE

ADJOURNMENT:

*Councilor Bolduc moved to adjourn at 9:44 p.m. Seconded by Councilor Doyle. **Vote was 6-0 and the motion passed unanimously.***

Respectfully Submitted,

Mary A Reynolds
City Clerk