



LACONIA CITY COUNCIL MEETING
MARCH 11, 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 Henry Lipman 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 Myers and Finance Director Woodaman.

Mayor Seymour noted that the consultant's report on the Fire Department has been moved to the meeting of March 25 and moved all items under New Business to immediately follow the Consent and Action Calendar.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- Regular Minutes of February 25, 2013

*Councilor Bolduc moved to approve the regular meeting minutes of February 25, 2013. Seconded by Councilor Hamel. **Motion passed unanimously.***

CONSENT AND ACTION CALENDAR:

1. Request by National Multiple Sclerosis Society to Raise Funds at Opechee Park & Parking Lot on May 11, 2013

*Councilor Bolduc moved to approve the request by National Multiple Sclerosis Society to raise funds at Opechee Park and parking lot on May 11, 2013. Seconded by Councilor Hamel. **Motion passed unanimously.***

2. Request by Weirs Community Park Association to Raise Funds at the Weirs Park Parking Lots from Saturday, June 8, 2013 through Sunday, June 16, 2013

*Councilor Doyle moved to approve the request by Weirs Community Park Association to raise funds at the Weirs Park parking lots from Saturday, June 8, 2013 through Sunday, June 16, 2013. Seconded by Councilor Bolduc. **Motion passed unanimously.***

NEW BUSINESS:

1. Request by Lakes Region Community Services to Raise Funds on the WOW Trail on May 19, 2013

*Councilor Lipman moved to approve the request by Lakes Region community Services to raise funds on the WOW Trail on May 19, 2013. Seconded by Councilor Hamel. **Motion passed unanimously.***

2. Request by Carenet Pregnancy Center of the Lakes Region to Raise Funds at Leavitt Park (or Smith Track) on July 13, 2013

*Councilor Lipman moved to approve the request y Carenet Pregnancy Center of the Lakes Region to raise funds at Leavitt Park (or Smith Track) on July 13, 2013. Seconded by Councilor Doyle. **Motion passed unanimously.***

3. Request to schedule Laconia Airport Appointive Agency Meeting for March 25, 2013 at 6:45 p.m.

*Councilor Bolduc move to schedule a Laconia Airport Appointive Agency Meeting for March 25, 2013 at 6:45 p.m. Seconded by Councilor Lipman. **Motion passed unanimously.***

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

1. Council Presentation – Proclamation to the American Red Cross

Mayor Seymour read a proclamation to the American Red Cross designating the month of March as American Red Cross Month in the City. Mayor Seymour added that the American Red Cross is always quick to help those in need when an event occurs that they can be helpful with.

Lisa Michaud, on behalf of the American Red Cross, accepted the proclamation and thanked the community for welcoming the American Red Cross and allowing them the privilege of assisting residents at times when they need it the most. Ms. Michaud encouraged everyone to keep the American Red Cross in their thoughts as a charity for donation purposes in the future.

2. Legislative Delegation Update – State Senators and Representatives

In attendance for this update were Representatives Flanders, Huot, Arsenault, Tilton and Luther. Also in attendance Senators Hosmer and Forrester.

Mayor Seymour expressed that the Council is primarily focused on legislation that would have a fiscal impact on the City. Rep. Huot addressed the Council as a member of the House Finance Committee.

Rep. Huot explained that the Committee is focusing on HB 1, also known as the Budget Bill, and preparing it to go to the full House no later than March 28. There will be a session between March 28 and April 4, the day the budget must be sent to the Senate, to allow the Finance Committee to review the budget with the full House and explain the actions taken.

In reference to downshifting, Rep. Huot acknowledged that with the last legislature there was a fair amount of downshifting done and some of it was unpreventable while others were. The budget that has been worked through does not contain specific downshifting to the municipalities and has been balanced with other items for County related shifts.

The other focus of the Finance Committee is HB 2, known as the "Trailer Bill". This bill explains the important information that would affect the local governments. A lot of time hasn't been spent as of yet on this bill and it will begin this week. The perception is that this bill is a bit friendlier on the municipalities. Rep. Huot added that the legislature has removed the Governors proposal of \$80 million from a gambling license because it is not legislatively possible in the State at this time.

Councilor Lipman asked about discussions that had happened early on regarding funding for adequacy to school districts and what the current thinking is with this topic. Rep. Huot replied that he has not been involved and deferred to Rep. Arsenault as the Co-Chair of the Education Committee. Rep. Arsenault explained that in the last session of the House the definition of adequacy was changed and a portion was separated, which related to the percentage of free and reduced lunch students at the schools and receiving more for a higher percentage, and this meant that the City received \$500,000 less in adequacy funding. This change made a significant difference in a small number of school districts and they were schools that have high numbers of students living below the poverty level. Rep. Arsenault also explained that this is not something that has come before the Education Committee and she doesn't think there is anything that can be done about the change at this time.

Councilor Baer asked Rep. Huot if there has been any progress with Medicaid compensation to hospitals. Rep. Huot replied that uncompensated care is wrapped up in the Medicaid expansion debate and it is a difficult topic. There are disadvantages and benefits to each level of expansion, and to doing nothing, and there have been conversations regarding what decision would be the right one for the State.

Councilor Hamel asked how the Medicare funds are being dispersed within the State, particularly if there is a portion being used for the General Fund. Rep. Huot replied that it is not directly done but may be done with shifting of funds. The counties took a large hit in the last session and there is effort to reverse this. Currently there is a cap on the amount the counties can be reimbursed and in the Governors budget there has been a proposal to raise the cap over the next three years. The Finance Committee is trying to reverse the trend and they have a good chance of succeeding.

Councilor Hamel asked if in the Trailer Bill still contains the held harmless clause relating to the juvenile services and nursing home services. Rep. Huot replied that there is still a \$1 million credit and it may be that the problem will be eliminated by eliminating the cost. This could be done by new federal regulations that could be helpful with leverage of federal funds in this area. Rep. Huot also explained that they are trying to distinguish which services are more costly to ensure the counties are not being charged with more than their fair amount. Councilor Hamel replied that the downshifting of the total cost of the nursing homes to the counties was a larger portion than what the State took on with juvenile services.

Councilor Hamel asked if the insurance brokerage agreement administration will be funded federally or through the State. Rep. Huot replied that the insurance exchange is going to be funded by the insurance

companies and the object is to reduce the cost rather than increase it. When the insurance exchange is created and more people are added the revenue from the Insurance Premiums Tax is going to increase because insurance companies will be selling more and making more. This will offset part of the overall cost of Medicaid expansion. Councilor Hamel asked if this is for individuals or business. Rep. Huot replied that he is unaware at this time but the number of insured in NH is estimated to increase by 58,000 people.

Councilor Lipman asked how the proposed gas tax will impact road, bridge and highway funding. Rep. Tilton replied that this is in the Operating Budget but has gone through committees. Currently the proposal for the gas tax has passed the House and contains a \$.04 increase each year for three (3) years and \$.03 the fourth year which would address the problems that are known for roads and bridges on all levels. Rep. Tilton explained that 12% of the tax would be disbursed directly to municipalities in the form of block grants for use in repairing roads and the City would receive. Additionally the State Municipal Bridge program, which is currently unfunded with current revenues and has funds committed through 2022, has been discontinued and some of the revenue generated from the gas tax increase would be designated for this funding. The City has been fortunate over the last decade to have several of its bridges repaired with the funding from this program because it is a good program and if the funding isn't found it will create an even bigger problem. At this time the bill to increase the gas tax has passed the House and needs to go to the Ways & Means Committee and then will be voted on again before going to the Senate. Rep. Tilton noted that he has been led to think the bill is not supported in the Senate because it is believed the bill would infringe on the likely passing of the gambling legislation.

Councilor Baer asked if the funding of the State Aide Grant Program for conservation and water projects has been placed in the budget. Rep. Huot explained that HB 623 puts funding in place that is already in the budget that was presented by the Governor and is expected to be set as inexpedient to legislate (ITL) because it has been addressed elsewhere. Councilor Baer asked if the amount in the budget is known at this time. Rep. Huot replied that he doesn't right off.

Councilor Baer asked what the progress is for HB 178, regarding binding arbitration. Rep. Tilton replied that he is unaware at this time but they will get an update for the Council.

Rep. Tilton gave a brief update on the capital budget items. When determining the items being allocated to the capital budget a number of requests are presented and the committee will review each request and make the decision for funding. With all of the requests that have been made the only one that would affect the City involves a request made by the Lakes Region Community College for another academic build that would focus on the culinary arts. At this time it is not in capital budget submitted by the Governor and there has been interest generated in the committee and they are looking for ways to fund the request.

Rep. Tilton further explained that when designating the amount to be allotted for capital projects the State Treasurer will report how much an acceptable amount to fund is and this relationship has worked very well. This biennium the Treasurer has recommended \$125 million in projects which is \$4 million less than the Governor's proposal. The Senate will have projects they are interested in as well so the committee is working to make sure there is an acceptable limit to work within. The highest ranking items this year is a women's corrections facility at a funding request of \$38 million and is a substantial portion of the capital budget. Alternatives have been discussed with the understanding that the facility is not at a point in progression to begin work because a location has not been selected at this time.

Councilor Hamel asked if the moratorium on school building aid has expiration. Rep. Tilton replied that it does not and the item is in the operating budget. Rep. Huot added that the trouble with the school

funding is that there is a tail to it, meaning that debt has accumulated. There is an attempt to move to a system where the funding is disbursed up front rather than over an extended time because it will decrease future costs. The moratorium has been placed on the funding to ensure the debt doesn't grow any larger because the debt associated with projects extends over a 20 to 40 year period and although it decreases over time it is still taking funds from other projects because of the increased cost of future spending. Rep. Huot explained that the White Mountain Regional School District has legislation presented that would set aside the moratorium to allow for a project to be completed because of items that have come up during the project that were not anticipated. Rep. Tilton added that the vocational center at White Mountain Regional School was deferred and the claim is that if it had been done at the time anticipated the district would have been eligible before the moratorium.

Councilor Bolduc clarified that the moratorium is still in place. Rep. Tilton explained that vocational schools are a separate item and there has been discussion on this item and there will be a capital contribution but they feel that they would like to do the same the City did and make improvements to their general high school at the same time and they are requesting 57%.

Councilor Hamel asked if the formula for general schools will be changed moving forward. Rep. Tilton replied that he is unsure but a formula is used.

Councilor Hamel asked if the funds for toll roads were being designated for this purpose. Rep. Tilton explained that there are two separate funds that people are not generally aware of; the Highway Fund and the Turnpike Fund. The Turnpike Fund is limited to the Spaulding Turnpike, Interstate 95, the Everett Turnpike up to exit 14 in Interstate 93 and is completely funded by toll funds collected.

Senator Andrew Hosmer addressed the Council. Sen. Hosmer explained that it is a little early to discuss any specifics about the going ons in the Senate because they have not received the budget and will not until the first week in April. There are many questions and concerns regarding revenue estimates, gambling being put into the budget and there allocation and the collision course with the gas tax. Sen. Hosmer noted that he doesn't feel the gas tax has much of a chance in the Senate and the he doesn't believe the gambling proposal will be received well by the House and this will create challenges.

Sen. Hosmer advised that the Senate has worked on an educational funding issue that arose with the Newfound Regional School District with regard to surplus funds being carried over and not having the ability to spend the surplus. The Senate took immediate action and remedied the issues which allowed them to run the school system effectively.

Sen. Hosmer acknowledged that there is a consensus that there is a significant deficit from the 2013 budget that will be carried over to the next budget and the stake holders are working on a solution but there is not one to report at this time.

Sen. Hosmer discussed the bill regarding the reallocation of the Rooms & Meals Tax. The bill would change the distribution so the municipalities that collect more of the tax should be receiving more of the distribution justified because they are strong travel and tourism areas and require certain infrastructure needs and the expenses could be offset. Sen. Hosmer explained that his concern is that it cannot be determined how it would affect all of the towns in District 7, although there was an inclination that the City may receive more of the distribution but the Department of Revenue Administration (DRA) could not make a determination. Sen. Hosmer further commented that there are other communities within District 7 that claim little to no Rooms & Meals Tax and it was unknown how they would be affected therefore if he cannot get specific information on the bill he is not inclined to vote for it regardless if there is some merit behind it.

Sen. Hosmer also explained that Senate Bill (SB) 1 was passed by all members present which doubled the Research and Development Tax Credit because it was felt that it is important to take a positive step for the economy and to let it be known that the State supports development and businesses that may want to come to the State or expand. Sen. Hosmer added that this is important to the industries within the State, and in particular the City, because these are places that can take advantage and keep worthwhile jobs in the City.

Sen. Hosmer updated the Council of SB 40 regarding education and a technical correction which provides funds for certain municipalities for the 2013 fiscal year. This bill resulted in the City receiving \$24,000 in education funding that would not have been received before the correction. Sen. Hosmer offered a copy of the bill to the Council for review.

Councilor Baer asked how SB 78, regarding the New Hampshire Municipal Association (NHMA) and the elimination of City Managers from sitting on the board, was initiated and what they hoped to accomplish. Sen. Hosmer replied that he feels the bill as originally written was done so poorly and it was voted ITL coming out of committee but an amendment was offered to the bill that made some sense. To get to the amendment the Senate had to overturn the vote to ITL the bill. Sen. Hosmer feels that if money from municipalities is going to the NHMA there should be accountability and the process should be transparent but the State should not be writing the rules for how the municipal association will operate. Sen. Forrester added that the Senate has been working on bringing the new director of the Local Government Center to the communities to give an update with funding. There is a session scheduled in Tilton on April 9 at the Tilton Senior Center.

Councilor Baer commented that a bill regarding retirement contributions has been voted ITL and asked if no action was being taken on reform. Sen. Hosmer replied that he is unfamiliar with this bill and believes it is in committee but still has to come before the full Senate to be voted upon. Sen. Hosmer will get the information on the bill and report back shortly on any progress or thoughts.

Councilor Baer asked if there is anything being done to reform the retirement system. Sen. Hosmer replied that he is unsure if anything is being done but there is always discussion. The unfunded liability associated with it and the downshifting to the municipalities is of great concern. There is also concern by those contributing to a system that could be solvent when the time comes for them to access the contributions and discussions are always ongoing. Sen. Forrester added that she is not aware of any current proposals. In the last session the Governor's proposal was to remove the 25% contribution and the Senate added that portion back in.

Councilor Lipman asked if there was a worst case scenario what it would look like. Sen. Hosmer replied that he is unsure but the Senate is a good body where moderation seems to be key and people don't seem to be resistant to move but deferred to Sen. Forrester for experience. Sen. Forrester added that in the last budget the hospitals and university system took a large hit and the revenues have not come back. There has been a commitment within the Senate Finance Committee that their commitment will be on the hospitals, education and infrastructure, as well as limiting downshifting to communities. At this time without knowing what the House budget will look like it is hard to determine an answer.

Councilor Lipman commented that he would like to get a feel for funding that the City is dependent on being impacted by the budget. Sen. Hosmer replied that there are some folks that have their eye on the State School property and how it has been valued and the sale price of \$2 million is too low so they would like to see it go out to a competitive bid. There are concerns with this because of the history and knowledge of what the property entails and this will be tied in with a bill regarding eliminating a toll on the highway.

Mayor Seymour commented that anything that presents itself would be important for the City to know as it happens to plan accordingly.

Councilor Hamel asked where the cuts will be coming from if there is a deficit of \$30-50 million being carried over, the gambling bill does go through and there is a projected deficit of \$4.2 billion in the retirement fund. Sen. Hosmer replied that the concern with the retirement plan is that if there is a change to a 401K type retirement plan then there will not be funds available to close the gap in the system and the gap will still be there. This would pose problems if the State cannot fulfill its obligations.

Councilor Lipman stated that there is appreciation for the Research and Development Tax Credit vote because in this region it is important to the economy. Councilor Lipman asked if there is anything else in the economic development area that may be emerging. Sen. Forrester replied that there is not a long term economic development plan for the State and the BIA has begun working on a plan and there have been meetings with Department of Resources and Economic Development (DRED) regarding a long term plan. Sen. Forrester explained that she did not propose legislation this session because she would like to visit the business community and speak to them to find out what is important to them. One of the biggest issues being expressed is health care and there have been forums held in response. Other issues include infrastructure and education. It is hopeful that Sen. Forrester will have legislation prepared for the next session that will address this topic.

Councilor Hamel stated that if mental health programs are going to be cut it will result in a downshift to the local government because these people will be in the hospital emergency rooms or the county correction facilities. Sen. Forrester agreed and noted that both she and Sen. Hosmer have had conversations with Councilor Lipman regarding this topic and they are supportive of not cutting funding for mental health. Sen. Hosmer added that he feels it will be a bi-partisan effort to address mental health care issues because it is a downshift to the police departments, the hospitals and the county.

Sen. Hosmer noted that there are a few pieces of legislation relating to economic developments. Currently the corporate tax code is being over hauled by the Commerce Committee and it is anticipated it will be voted on this week and brought to the Senate floor in the next couple of weeks. There has not been a re-write of the corporate code for 20 years. Sen. Hosmer also visited Lakes Region Community College this evening to discuss the advanced manufacturing programs because they are critical part in partnering with the business community to ensure there are well trained people ready to enter the workforce. Councilor Lipman stated that the support with this is appreciated.

Councilor Baer asked about HB 330 which would give the county the ability to charge a 1% income tax. Rep. Tilton replied that he is unaware of the status but it does not have a chance of passing.

Councilor Baer asked for the status of a bill regarding the re-opening of an office of the Department of Motor Vehicles in Belknap County. Rep. Luther, the sponsor of the bill, replied that it was voted ITL on the basis of unavailable funding. The Director of Motor Vehicles spoke in opposition of the bill and he was very adequate in doing so.

Councilor Hamel asked what the bright spot is in the budget now that all of the tough spots have been discussed. Sen. Hosmer replied that it is an optimistic budget with the idea of the Governor focusing on our economy and working in a collaborative fashion with the private industry, the education system and mental health. All are very serious issues and the focus is there with the hard work starting now. Councilor Hamel stated that he appreciates everyone's hard work to pass the budget.

Sen. Forrester explained to the Council that she has been going out to the communities she represents to discuss revenues, in particular the gas tax. The communities have expressed that they could support something like the gas tax if they knew the funds would go toward fixing the roads. In the City there would be \$8.6 million paid into the gas tax and the City would receive \$1.1 million back; Sen. Forrester asked how the City would feel about this scenario. Councilor Hamel replied that it doesn't appear to be worthwhile. Councilor Baer stated that there is never a guarantee that the funds are going to go where they are promised to go. Sen. Forrester agreed.

Councilor Hamel commented that several funds are set up to fund specific areas and the State takes the funds to support a different program. Sen. Forrester replied that the City can't do that and the State shouldn't be doing it either.

Mayor Seymour thanked everyone for attending the meeting and providing the feedback.

MAYOR'S REPORT:

This week is "Advanced Manufacturing Week" within Belknap County and there is a full schedule available online through BelknapEDC.org of open houses at facilities throughout the county. Mayor Seymour encouraged everyone to take the opportunity to stop by one of the open houses.

Mayor Seymour thanked the Lyman family and the other volunteers for all of their efforts with the World Championship Sled Dog Race that was held. It took a tremendous amount of work because the weather wasn't cooperating and they did a fantastic job. Councilor Bolduc has also been volunteering for the event for the past 55 years.

A few weeks ago the Main Street Initiative held a business planning event at the Pitman Freight Room. There were over 130 participants there to give ideas for development in the Downtown area.

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
- d) Recycling Proposals

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 #1), Project Updates (see Attachment #2), and the Financial & Operational Trends (see Attachment #3).

Additionally, City Manager Myers requested Council approval of the appointment of Gail Denio and Don Vachon as ex-officio members of the Planning Board.

City Manager Myers advised the Council that the bids that came in for the Main Street Bridge Project came in much higher than the estimates. The bids were valid with the four lowest begin within 4% of each other but are still higher than anticipated. A meeting was held with the State today and the City has been told the State cannot commit to any additional funding than a flat amount for the project and the City's portion of this project will be increased to \$1.5-1.6 million. There was a request to try and get future funding and it was denied.

City Manager Myers explained that there is another federal program, the Municipal Off-System Bridge Replacement and Rehabilitation Program (MOBRR), that is administered by the State that the City can apply for in October and go out to bid at that time; this would be an 80/20% match funding.

Councilor Hamel asked if the federal funding would be for the whole project or just the portion the State is unable to fund. City Manager Myers replied that it would be for the entire project. There was an indication from the State today that there is a likeness that the City will be considered in October but there is no guarantee at this time but an answer is expected within a few weeks. It is important to have an indication from the State as soon as possible because the budget and the decision to appropriate additional funding need to be made before the bids expire at the beginning of April.

Councilor Hamel asked if this will delay the project. City Manager Myers replied that it will; however, the Council has the option to fund the project fully but there is hope that in two weeks time the City Manager will have an answer from the State regarding the MOBRR funding. The bids will no longer be valid in October and the process will have to begin again.

Councilor Baer confirmed that if the State funding is passed up and the Council chooses to pursue the MOBRR funding we would not be permitted to go back to the State. City Manager Myers replied that this is why timing is so important because the bid validity and opportunity for funding \$2.4 million of the project by the State needs to be considered.

Councilor Baer asked why the bids were so far off. City Manager Myers replied that an analysis was done with the bids submitted and the engineers estimate. In this analysis it was identified that the biggest difference was in the removal of the current structure, painting, structural steel and containment and environmental protection. It was disappointing that the bids came in 35% higher than engineer estimates but as previously noted the four lowest bids were within 4% of each other and are valid.

Councilor Hamel stated that checking into the federal funding is good but passing up on the State funding is not a good idea. City Manager Myers replied that he is not recommending passing on the State and is looking forward to an answer. Councilor Hamel noted that he thinks it's too late to get into a federal program. City Manager Myers replied that he is hoping for an answer within the next two weeks.

Councilor Lipman asked for clarification on what expenses the City was planning for with this project. City Manager Myers replied that approximately \$600,000 was planned for and the cost would be \$1.5-1.6 million without the full commitment from the State.

Councilor Hamel asked to make sure Morrill Street is considered for paving this year. City Manager Myers replied that he is in agreement and it would be planned with any remaining funds after the completion of the Huot Technical Center project.

City Manager Myers requested that the Council take action on his proposed appointments this evening.

*Councilor Hamel moved to appoint Gail Denio as an ex-officio member of the Planning Board. Seconded by Councilor Bolduc. **Motion passed unanimously.***

*Councilor Hamel moved to appoint Don Vachon as an ex-officio member of the Planning Board. Seconded by Councilor Bolduc. **Motion passed unanimously.***

Councilor Hamel request that the Comprehensive Annual Financial Report for the City be presented to the Council and to spend a little time on the statistics that could give perspective on the long run projections of the City. City Manager Myers replied that he would be happy to schedule this but he is waiting on more documentation from sources before doing so.

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**

City Manager Myers explained that this discussion has been ongoing with the cost of disposal increasing with the goal of percent recycled not reaching the standard set, which is 30%. With every ton of material that is sent into the waste stream costs the City \$150 and over a 12 month period over \$100,000 is lost opportunity to the City. City Manager Myers reviewed the four options being proposed (see Attachment

#4) noting that mandated recycling (Option 3) and Pay-As-You-Throw (Option 4-PAYT) have been expressed as true options for the Council to consider.

Councilor Lipman stated that the session with the State Legislators, in conjunction with the unfortunate news about the Main Street Bridge Project, reaffirms that to provide services we will need to find efficiencies and money is being wasted. With PAYT not being the first option, Councilor Lipman stated that from a voluntary stand point we have been working at the recycling initiative for 18 months and there has been little progress. Councilor Lipman added that there are conditions for support of PAYT which include it not being a backdoor way to try to increase revenue but should be accounted for in the Tax Cap calculation to show people that it is being taken out of the budget. There have been ideas offered from constituents to offer a pass for those that do not choose to purchase the PAYT bags as well as offering flexibility around the holidays for extra items. Councilor Lipman stated that the savings cannot be spent on adding an additional collection of recycling collection to the schedule.

Additionally, Councilor Lipman stated that a decision needs to be made on this item because there are other issues that need to be addressed and there is no progression if the topic is idle.

Councilor Doyle stated that she is not in favor of PAYT and that mandated recycling would be her choice. This would allow those that choose not to recycle to need to purchase a sticker for their trash and give those with additional trash to collect to purchase stickers if they have a week where they have more rubbish. Councilor Doyle does not want to go to a PAYT system until every avenue has been exhausted and at that point it is the responsibility of the people if it doesn't work with mandatory recycling. After making a calculation there is not a huge difference in savings between the two options over a 10 year cycle if the revenue from the bags is taken into consideration.

City Manager Myers noted that the revenue for bags was not used in any of the calculations presented for the 10 year savings table.

Councilor Doyle added that it seems that the City would be downshifting to the 48% in the community that are renters and they will be effected by this the most, not the landlords

Councilor Lipman commented that while he is sensitive to Councilor Doyle's position but the aspect of running the waste stream as a utility and removing the cost from the tax will prevent from it being paid for twice. People have come accustom that conserving makes sense but if you don't want to conserve with other utilities you pay for it yourself, but with trash there is no separation between who is paying for the choice of others that don't recycle. With the cost of disposal increasing other services will be effected if something isn't done now.

Councilor Lahey stated that right now we have some of the people recycling and some that are not, but the ones that are recycling are paying for the ones that don't through their property taxes. The argument that it will be paid for twice can be easily addressed by not including the savings as revenue for the budget purposes for the first year and the Tax Cap will ensure it won't be added in for future years. Councilor Lahey added that this has been discussed for three years and it is clear that savings are there for the PAYT program and the environmental aspect hasn't even been discussed yet.

Councilor Baer stated that she is in favor of mandatory recycling. When looking at the figures for savings between mandatory recycling and PAYT there isn't a tremendous difference with the exception of the revenue from the bag purchases. Councilor Baer also noted that the revenue from the increase of revenue from the increase of tonnage fees has not been used in the calculation. City Manager Myers replied that it is equal for all scenarios and the haulers will be paying for their disposal and there will be

no additional revenue to the City. Councilor Baer also stated that there are other areas of the budget where savings can be made and the Council needs to look at those areas as well. At this time only one method of voluntary recycling has been looked at and nothing else has been attempted; if mandatory is attempted and it doesn't work then PAYT can be considered because \$1.75 per bag is a lot of money to a lot of people because it will cost over \$90.00 for one bag a week.

Councilor Lahey asked if the objection is to the inconvenience to the residents because the commitment has been to remove this cost item from the budget. Councilor Baer replied that it is the consensus of the public that they do not want PAYT.

Councilor Hamel stated that most of the options have been attempted other than PAYT. With mandatory recycling it can be manipulated but the users. If someone has one can in the recycling bin it would mean the trash would be collected and the proposal calls for a 64-gallon container which is double what is accepted now and the resident would have to purchase a new container and fill it and still not recycle. Councilor Doyle replied that it does not have to be a 64-gallon container and it could be modified to 30-gallon.

Councilor Hamel commented that he believes the City will go with the PAYT program in the end and the wait will only cost the people more.

Councilor Lipman commented that the Council has been looking at this for a long time and PAYT forces people to interact with their government in a way that they haven't had to in the past but the Council needs to move on and deal with other issues.

Councilor Hamel stated that he would think people would be more upset if the Council didn't recognize the \$150,000 that could be saved with PAYT. There is not business that would take \$150,000 out of the bank, go to the dock and set it on fire and that is exactly what the City is doing now.

Councilor Bolduc stated that he has received a lot of phone calls and would like to have those in attendance speak. Councilor Bolduc has received many phone calls in support of mandatory recycling and only one in support of PAYT; mandatory recycling has never been tried and it would be worth giving it a shot. Also, Councilor Bolduc would like to see this delayed to give the people time to digest the information and speak their minds.

Councilor Hamel suggested that because Councilor Lipman will not be at the next meeting the vote should be postponed until the first meeting in April.

Mayor Seymour opened the topic to members of the public in attendance.

Fred Clausen, from Proctor's Lakehouse Cottages in Ward 6, stated he is in favor of mandatory recycling. Mr. Clausen has been recycling for many years and has been very successful with it therefore he feels that others can be as well. Pictures were given to the Council showing Mr. Clausen's efforts over time with increased container size to accommodate his needs. Also, Mr. Clausen would like to have more efforts made to educate businesses on the needs of recycling and how to do it effectively. Mayor Seymour thanked Mr. Clausen for being so active with his recycling efforts.

Steve Bogert from Ward 5 stated that he would like to see more options looked at before a decision is made. Mr. Bogert is active with recycling and has one 64-gallon container that he does not fill each week. There was mention of needing to conserve like we would with water but water was conserved and the rates were increased. With an equally proportional property tax rate we are allowing multi-

family homes to have seven (7) containers out and a single family home can have one and Mr. Bogert would like to see the multi-family homes and businesses be required to purchase stickers for each container over one (1) that they place at the curb for collection. Mr. Bogert is in favor of mandatory recycling and not PAYT.

Warren Hutchins, 31 Boathouse Rd in Ward 6, stated that he has spoken with Councilors Bolduc and Hamel and he is in favor of PAYT. Mr. Hutchins has had personal experience with PAYT when he lived in another community previously and it put the decision making process on how trash is handled on the resident. The price of the bags is reasonable and fairness has been discussed. In the City there are 30% of the single family tax payers in sub developments, such as Southdown Shores and Briarcrest Estates, that pay full property taxes and they do not get trash collection services and this is unfair to them because they are subsidizing all of those that are receiving collection.

Dick Smith, from Ward 3, agreed that PAYT is the better option. Mr. Smith did some research with relatives that participate with PAYT systems and was told that after an initial transition the programs was very successful and accepted by the residents. Mr. Smith also commented that the environmental savings need to be considered as well and even though PAYT won't solve the problems in itself it will help develop a mindset to recycle.

Joe Driscoll, from various addresses in Ward 1, stated that he feels the mandatory recycling would work better for him and his businesses. Mr. Driscoll has been working diligently with recycling since the campaign began and he finds it troubling that at all levels of government when some people don't comply the solution is to come down on all of those that do comply. Mr. Driscoll also stated that he doesn't know how the assumptions can be made but is hopeful that they will be explained more in the coming month and that he appreciates Councilor Lipman's thought that this cannot be a backdoor tax. Mr. Driscoll would like to see more scrutiny on the rest of the budget and savings be found elsewhere.

Jose Dematos, from various addresses in Ward 6, stated that the City is very low income with many elderly. Mr. Dematos believes that PAYT would increase the burden on residents and cause additional problems such as illegal waste dumping and that PAYT is just another fee that is being presented as a way to collect additional revenue and spend money elsewhere. Mr. Dematos also feels the tonnage from the remote sites should be used in the formula when calculating the percentage of recycling collected because many families bring their recycling to the drop off locations and that there should be more of an initiative and education regarding composting. By limiting the number of bags collected at the curb and mandatory recycling the City will see an increase in recycling and PAYT will not be needed. Mr. Dematos encouraged the Council to consider other cost saving measures, such as City employees paying more for healthcare, eliminating overtime for all departments other than Public Works for emergencies only, consider furloughs, reduce department budgets, cutting City Hall hours and forget about purchasing the State School property and allow it to go back on the tax rolls. Although these options would not be popular with City employees, Mr. Dematos feels that they would decrease the burden on the tax payers and that is the primary concern.

Peter Boettcher, from Ward 1, stated that he commends the Council for doing what they are doing but the Council has not done a correct analysis of the options that are being presented. IF they had they would have seen that mandatory recycling is cheaper and more effective than PAYT but they don't have this information. Mr. Boettcher also feels that the voters of the City should have the option to vote on this proposal because it affects everyone. Mr. Boettcher is also concerned about the effects of trash being left in remote places that would then be ripped open by animals.

Tyler Smith, from 138 Sheridan St in Ward 6, stated that he is the person that collects the trash in the City for Bestway Disposal and was also a member of the team that began the PAYT program in the City of Concord. Mr. Smith encouraged the Council to educate their constituents to make recycling easier; if people don't understand what is recyclable they are less likely to participate.

Mayor Seymour thanked everyone that came out to speak to this subject this evening because the feedback is appreciated and necessary.

Councilor Bolduc requested a show of hands from the audience for each option to get the vote of the people that did not choose to speak. Mayor Seymour declined the request with no support from the other members of the Council to do so.

Mayor Seymour requested direction on proceeding from the Council.

Councilor Bolduc moved to delay a decision until the first meeting in April to allow for more time for constituent input to their Councilor. Seconded by Councilor Lipman.

Councilor Bolduc agreed that more education is necessary for the public.

Councilor Hamel stated that he doesn't disagree with needing more education but there have been countless meetings and efforts by the City to reach out to businesses and multifamily properties to encourage more recycling. The Council has done a lot in the last three (3) years to get more people to recycle but only a few businesses participating is not going to fix the problem. Councilor Hamel noted that he will not vote for any proposal that would not remove the cost of services from the tax base because it would be charging for the service twice. Furthermore, there are 20 people in attendance this evening in a City of 17,000 people and they represent a small majority and not the big picture and that the best option would be to place the choice on the ballot in November.

Councilor Baer stated that it is apparent that there is a split among the Council and she doesn't feel that anyone is changing their mind on this topic and postponing will not change anything. Councilor Hamel replied that he does not agree and that if it can be proven that mandatory will work he would be willing to sway in that direction. Councilor Baer countered that it cannot be guaranteed that anything will work. Mayor Seymour noted that when Casella Waste Management presented options to the Council it was stated that every community that has turned to a PAYT program has seen at least 30% recycling and that is proof that it works.

Councilor Hamel commented that if you use more, you pay more and if the amount is taken out the first year it will be accounted for in the Tax Cap each year after. This does not mean that tax rates would never go up because costs of other items go up but it would not include the PAYT program.

Councilor Lahey asked what would happen when you put your trash out and the resident knows that they will not get collected if there is not recycling out so they put a few bottle in the bin. This would not encourage the principle of what we are trying to accomplish. Councilor Bolduc replied that there could be a stipulation that the recycling container would have to be half full. The Council was in agreement that this is not the solution to the question.

Councilor Doyle commented that if the remote sites were to be added into the calculation presented the amount recycled would be over 30%. There are businesses that are bringing material to the remote sites because they have full containers and the only amount that is being calculated is what is collected at the curb. Councilor Doyle acknowledged that although the justification for not adding them in is that there

may be trash in the remote container and some of the material could be coming from out town there is just as much of a chance that someone is putting trash in there recycling toter at the curb and it doesn't get caught.

Councilor Lipman stated that all of the proposals have included the same data collection method. Councilor Lipman also commended Mr. Clausen for his efforts with recycling and noted the caption on the newspaper article Mr. Clausen distributed, which states the cost for disposal at the time was \$110 per ton; currently the cost is \$150 per ton and it is only going to increase. This does not mean that mandatory recycling cannot be attempted but if it doesn't work PAYT is the only other option.

Councilor Lipman also addressed the comments made regarding more scrutiny of the budget and other ways to save. Councilor Lipman assured that the Council does a very good job of working below the Tax Cap amount every year and they continue to try to do more with less and projects have been getting done. The role of the Councilors is to lead and it is time to lead so the Council can move on and tackle other problems.

Councilor Hamel asked how accurate the figures given for analysis are. Ann Saltmarsh, Public Works Assistant, replied that the tonnage used is completely accurate and comes from scale tickets provided by the hauler.

Councilor Hamel asked if the percentage of recycling collected is done on the collection route of if they include the remote locations as well. Ms. Saltmarsh replied that the remote sites are kept separate.

Councilor Baer referred back to an email that was sent to the City by the City Manager of Reading, Massachusetts. This email encourages mandatory recycling and speaks of the impact it had on the community and the savings the City of Reading realized as a result by having a recycling percentage high of 35%.

Mr. Dematos addressed the Council and noted that the dialog has been good this evening and it appears that Councilors Hamel and Lipman would be open to mandatory recycling rather than the initial thought that the Mayor was going to need to break a tie vote this evening. Mr. Dematos encouraged the Council to take action rather than waiting until the April meeting because nothing is going to change between now and then.

Councilor Bare offered the motion to take a vote this evening. Mayor Seymour reminded the Council that there is already a motion on the floor to postpone the vote on this subject until the April meeting and a call of the question has not been made.

*Mayor Seymour called the question. **Motion passed with five (5) in favor and Councilor Baer opposed.***

Mayor Seymour asked for direction for the City Manager and Public Works to get specific information that the Council feels is necessary to make their decision.

Councilor Hamel replied that mandatory recycling being included in the City Manager's budget and it can be amended if necessary.

Councilor Lipman stated that he is leaning to PAYT but he would like to hear from more of his constituents. Also with mandatory recycling the reduction in the size of container permitted for collection would leave no other option but to recycle.

Councilor Hamel commented that the Council cannot continually change the program when one doesn't work. It is an inconvenience to the tax payers.

Councilor Lipman thanked Ms. Saltmarsh and Bestway Disposal for the information they have provided.

Councilor Doyle requested that the request for constituents to call their Councilor or Mayor Seymour in the Laconia Links as well as the City website.

7. Strategic Planning/Goal Setting

NOMINATIONS, APPOINTMENTS & ELECTIONS: NONE

COUNCIL COMMENTS:

Councilor Baer commented that the volume of the public microphones is not audible when the meetings are played back on public access. Mayor Seymour replied that he will request to have speakers do so directly into the microphones.

NON - PUBLIC SESSION: NONE

ADJOURNMENT:

*Councilor Hamel moved to adjourn at 9:45 p.m. Seconded by Councilor Bolduc. **Motion passed unanimously.***

Respectfully Submitted,

Mary A. Reynolds
City Clerk