



**LACONIA CITY COUNCIL MEETING  
APRIL 11, 2011  
CITY HALL – CONFERENCE ROOM 200A  
7:30 P.M.**

**CALL TO ORDER:**

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

**SALUTE TO THE FLAG:**

Councilor Armand Bolduc led the Salute to the Flag.

**ROLL CALL:**

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

Councilor Lipman was excused.

**ADOPTION OF MINUTES OF PREVIOUS MEETINGS:**

- **Regular and non-public minutes of March 28, 2011 Council meeting and special meeting on March 29, 2011**

Councilor Bolduc moved to accept the regular and non-public minutes of the March 28, 2011 Council Meeting and the minutes of the March 29, 2011 Special Meeting. Seconded by Councilor Doyle. **Motion passed unanimously.**

**CONSENT AND ACTION CALENDAR:     NONE**

**CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA:     NONE**

**INTERVIEWS:**

1. **James Rogato – seeking appointment as a full member of the Putnam Fund**

Mr. Rogato is a current member of the Licensing Board. He has been in the entertainment industry for 30 years and feels he can be an asset to the Putnam Fund.

**2. Michael Foote – seeking to move from alternate to full position on ZBA**

Mr. Foote stated he loves Laconia and is happy to have the chance to participate.

Councilor Baer noted that Mr. Foote also serves on the CIP Committee and does a good job.

**3. Jay Tivnan – seeking to move from alternate on the ZBA to alternate on the Planning Board**

Mr. Tivnan was appointed as an alternate to the Zoning Board of Adjustments (ZBA) and served for two years. Before applying to become a full member, Planning Director Saunders and Planning Board Chair Kyril Mitchell suggested to Mr. Tivnan that the Planning Board would suit him. With their encouragement, Mr. Tivnan has made the decision to begin as an alternate member.

**COMMUNICATIONS: NONE**

**PUBLIC HEARING: NONE**

**PRESENTATIONS: NONE**

**MAYOR’S REPORT: NONE**

**CITIZEN REQUESTS TO COMMENT ON CURRENT AGENDA ITEMS: NONE**

**COMMITTEE REPORTS:**

- 1. FINANCE: (Lipman, Hamel, Baer)**
  - a) WOW Trail Fund
  - b) Special Item Budget Requests Procedural Review
  - c) Establishment of a compensated absences fund

**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

**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) Oak & North Main St. Intersection
  - c) Proposed ordinance regarding vehicles over 18,000 lbs. and engines idling between the hours of midnight and 6:00 a.m.

- d) Proposed ordinance regarding large vehicles parked on City streets and sidewalks
- e) Inventory of Public Works Equipment

**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 Baer commented on the announcement of the retirement of Police Chief Michael Moyer. He has been a very good Chief and run a very professional department. Councilor Baer wished Chief Moyer luck in his retirement.

Mayor Seymour noted that Chief Moyer has created a positive environment at the Police Department and is very confident in the abilities of his chosen successor, Lt. Chris Adams, as he has demonstrated his leadership abilities in several areas of the community.

**MANAGER'S REPORT:**

City Manager Cabanel reviewed the application process for a grant to assist with funding for the Colonial Theatre. She thanked Carmen Lorez, Director of the Belknap County Economic Development Council (BCEDC) for her efforts in this process; the BCEDC has really come forward and assisted with this process in an exceptional manner. This particular grant application is for the New Hampshire Business Profits Tax Credits through, by which we can get up to \$500,000 in tax credits with \$250,000 of them sold already.

City Manager Cabanel and Finance Director Reynolds have been in contact with the New Hampshire Municipal Association (NHMA) to try and get an understanding of the House of Representatives proposal for a solution to the NH Retirement System contributions and the potential for downshifting. After speaking with the NHMA and working out the contributions proposed, through increases in employee contribution rates, the impact amount on the City is not equitable. The challenges with the loss of revenues from the Governor's budget totals \$406,000; the amount to be recovered by the percentage increase is only \$123,000. The outlook for the School is much worse.

**NEW BUSINESS:**

**1. Request by Lakes Region Rotary to use and raise funds on City property**

Lakes Region Rotary President Travis Cole reviewed the proposed yard sale to take place at the Department of Public Works on Bisson Ave on May . The City will have no part in the drop off procedures or the clean-up of this event because all items not purchased will be donated to local charities at the conclusion of the event.

Councilor Bolduc inquired if the Director of Public Works has agreed to move all of the vehicles out of the area. Mr. Cole responded that Ann Saltmarsh has been working with the Rotary with this project and they are in support of the request.

Councilor Lahey moved to approve the request by Lakes Region Rotary to use the parking lot at the Department of Public Works and to allow the Laconia Rotary to raise funds at the property on May, 2011 for a yard sale. Seconded by Councilor Bolduc. **Motion passed unanimously.**

**2. Letter to House Commerce and Consumer Affairs Committee regarding dealers processing motor vehicle registrations/City Clerk Mary Reynolds**

City Clerk Reynolds advised the Council that Senate Bill 156 (SB 156) will be presented to the House Commerce and Consumer Affairs Committee on April 19. This bill would allow automobile dealers to process motor vehicle registrations for new vehicles; this, in the opinion of the New Hampshire City and Town Clerk's Association, would not be in the best interest of the municipalities. It is the request of City Clerk Reynolds for the Council to approve and sign a letter of opposition to be sent to Representative John Hunt, the Chair of the House Commerce and Consumer Affairs Committee.

Donna Hosmer, a representative from the AutoServ Dealerships, requested to address the Council. Ms. Hosmer is joined by Peter McNamara, President of the New Hampshire Automobile Dealers Association (NHADA) and Senator Andy Sanborn, and the prime sponsor of the bill.

Ms. Hosmer expressed that the intent of this legislation is to enable dealers to process Electronic Vehicle Registrations (EVR) and make the process more efficient. Ms. Hosmer reviewed the position of the NHADA, which is to improve efficiency, safety and accuracy of the information transmitted to the Department of Motor Vehicles (DMV). Currently, dealerships may process a Title Application for a customer at the time of purchase, but the consumer is then required to go to their local Clerk's Office to process the registration portion. In the opinion of the NHADA, the EVR process would lower the chance of errors and streamline the process. Ms. Hosmer commented that this already done in 43 other states and is supported by the Governor, Director of Safety, Director of DMV and this software will be a benefit to everyone involved. The program will be provided by ADP and will be funded by the consumers, who will have the option to register at the dealership for a convenience fee or continue to go to the Clerk's Office to complete.

Senator Andy Sanborn expressed that this legislation was crafted to empower everyone involved and give them the opportunity to come together with an advisory group and spend the next 18 months working on a program that is satisfactory to everyone involved. This is an opportunity for a public/private partnership that works; ADP, the largest payroll distribution company in the world, has agreed to come in and fund the entire cost of this program. If this is successful, the NHADA has agreed to pay to maintain the system.

Senator Sanborn continued to explain that current statute allows for each Clerk to collect \$2.00 for each Title Application processed; however, the legislation is vague and allows for each dealer to collect \$2.00 also. With this legislation, the \$2.00 currently collected by the dealer would be remitted to the municipality. One of the biggest challenges Clerk's claim with information coming from the dealers is the inaccuracy of Title Applications coming from the dealers; there will be a significant reduction in errors with this electronic system. This system could also benefit the municipalities because the sub-models of the vehicles will be charged correctly, rather than a high end model being charged as a base model therefore the fees collected will be the maximum amount possible.

A big part of what drove the crafting this legislation, according to Senator Sanborn, was the impact this will have for law enforcement. When a customer is issued a temporary registration for a newly

purchased vehicle, the information will be provided to law enforcement immediately. This is the big driving force behind the support of the Department of Safety.

Mayor Seymour commented that one of the biggest concerns for the Clerk's, with respect to this program, is not to argue the efficiency of the software or its intent, but the ongoing training that is received by the people controlling the software in a continual basis. You can have great software, but if you are not skilled in using it properly it becomes ineffective. In addition this proposal does not allow the dealers to act as agents of the municipalities, but as agents of the State of New Hampshire Division of Motor Vehicles. This causes concern for the mirroring of the processing of boat fees; when the process was changed, the City lost 30% of its total boat revenues to the State. With respect to the comments made that there will be no costs to the municipalities that statement is unsupported because each municipality will be required to complete additional auditing procedures to ensure accuracy of the information coming from NHADA.

Councilor Hamel commented that we have adopted RSA 231:130-a Notification of Unpaid Fines by which a resident cannot register a vehicle if they have outstanding parking violations and asked how the proposal takes this into effect. No answer was given.

Senator Sanborn noted that the legislation is very specific with regards to deposits of fees; there will always be two deposits made, one to the municipality and one to the State. This was designed to prevent municipal money from ever going into the States hands like it has with Boat Registrations. In regards to training and upgrades to the software, there is no cost to the municipalities because it will be funded by the fees collected by residents who choose to utilize the program. As for the increase in fees for auditing purposes, Senator Sanborn reiterated that the dealers have agreed to give the municipalities the \$2.00 fee they are collecting for each Title Application and this fee should account for cost associated with the increase in auditing.

As it relates to residency, Senator Sanborn stated that there are five steps to the verification process: the driver's license needs to match the address on the credit application and report, which has to match the address on file with the Department of Safety, and each person will be required to complete a residency affidavit. There are several instances where there are addresses restricted by local regulations, and during the 18 month start up process these addresses will be identified and a list compiled for use by the NHADA. If someone tries to register at a restricted address, they simply won't be able to do it.

Councilor Baer asked for confirmation that the State is not paying for this program, and the municipalities are not paying for this program. Senator Sanborn confirmed that the program will be paid for initially by ADP with the NHADA supporting the costs through convenience fees to maintain the program.

Councilor Lahey referred back to the process of moving revenue for Boat Registrations from the municipalities to the State. Councilor Lahey asked if this really isn't a way for the State, in the long term, to absorb revenue that is currently going to the municipalities. Senator Sanborn disagreed with this statement and stated that there has been no discussion of the kind. The State is not providing this service; it is being done through a private entity.

Councilor Hamel commented that Senator Sanborn needs to realize that some unfair occurrences have happened between the State and the municipalities and they aren't done. The rules are being made inconsistently in Concord, and municipalities are suffering, referencing the retirement shifting. It is going

to cost the municipalities for the verification and back checking of the information coming from the NHADA. Senator Sanborn advised that each municipality can determine how often they want to receive the information and have the ability to audit and will be compensated for it.

City Manager Cabanel explained that we have faced various items coming down from the State which are designed to cause efficiencies, referencing the States reform of the expense dividing of the elderly and youth, which has a cap that will expire and the County will be paying millions more. This is an example of efficiencies from the State that has had no benefit to the City. Senator Sanborn again reiterated that this is not a State program, but just a change in the legislature. City Manager Cabanel commented that the State makes the legislation and can change it.

Peter McNamara, President of the NHADA, addressed the Council. Mr. McNamara advised that the New Hampshire Municipal Association is taking a neutral stance on this proposal because they don't feel it will impact municipal revenue. Many other municipalities have the same concerns as Laconia, but the City of Manchester, City of Nashua, and the Town of Bedford are not only supporting this legislation but have signed on the be pilot towns. The City of Keene has decided to take a neutral position. This program will not be spread statewide until the pilot program shows that it works.

Mayor Seymour called for action in regards to the correspondence.

Councilor Baer moved to submit the letter as written. Seconded by Councilor Lahey. **Motion passed unanimously.**

**3. Request to transfer \$15,000 from contingency for consultant services with respect to the search for a new City Manager**

Councilor Lahey moved to transfer \$15,000 from account 01-431-343-0000 Contingency to account 01-431-304-0000 for consultant services with respect to the search for a new City Manager. Seconded by Councilor Hamel. **Motion passed unanimously.**

**4. Request to transfer \$35,000 from contingency for soil testing of past landfill sites on Frank Bean Rd.**

City Manager Cabanel explained that this expenditure is to cover the cost of testing required by the Department of Environmental Services.

Councilor Lahey moved to transfer \$35,000 from account 01-431-343-0000 Contingency to account 01-431-304-0000 for soil testing of the past landfill sites on Frank Bean Rd. Seconded by Councilor Hamel. **Motion passed unanimously.**

**5. Wide Open Saloon/Order for Correction of Hazardous Condition of a Building Pursuant to RSA 155-B/Authorization for City Manager to sign**

Code Enforcement Director Bill Stewart explained that this property, which was severally damaged by fire, is in a hazardous state and needs to be removed. Supporting documentation has been provided by Mitchell Municipal Group outlining the need to have the Council direct the building is removed.

Councilor Doyle moved approve the Order for Correction of Hazardous Condition of a Building Pursuant to RSA 155-B for the property located at 38 Endicott Street North, known as the Wide Open Saloon and to authorize the City Manager to sign such order. Seconded by Councilor Bolduc.

City Manager Cabanel advised the Council that because of the need to test the building for hazardous materials, the chances of the building being removed before Motorcycle Week are not very good. If the City does need to have the testing done because the property owner does not, it would take too long. City Manager Cabanel did advise the Council that they have the option to authorize the testing be done prior to the owner taking action, but it was not advised to do so.

**Motion passed unanimously.**

#### **6. Prison Property/Appraisal for Market Value/Councilor Matthew Lahey**

Councilor Lahey reviewed the current property layout of the Laconia Prison Property as broken down for study purposes. Councilor Lahey advised that because the State of New Hampshire is looking to sell this property in its entirety, it is important for the City to look at the sections of property and consider having an appraisal done for market value to show the State that the City is interested in the property and the outcome of it. Councilor Lahey has proactively sought the advice of Applied Economic Research President Russell Thibeault; Mr. Thibeault has estimated the cost to be approximately \$9,500, but could be less based on his willingness to charge based on hours worked rather than scope of the project.

City Manager Cabanel advised that the property is currently assessed at a value much higher than actual because it was not covered with the revaluation done this past year because the property is currently exempt from taxes.

Councilor Baer expressed her concern with the Council approving the expenditure of funds for a property that the City is not in a position to purchase.

Councilor Lahey advised that we are not choosing to support the purchase of the property at this time, just to get the correct value so if the City would like to make an offer on the property in the future, they may do so.

Councilor Bolduc moved to accept the proposal to get an appraisal for market value of the Laconia Prison Property. Seconded by Councilor Lahey. **Motion passed with four (4) Councilors in favor and Councilor Baer opposed.**

#### **7. Request to transfer \$9,500 from contingency for consulting services regarding the appraisal of the prison property**

Councilor Lahey moved to \$9,500 from account 01-431-343-0000 Contingency to account 01-431-304-0000 Outside Services for consulting services regarding the appraisal of the Prison Property. Seconded by Councilor Bolduc. **Motion passed with four (4) Councilors in favor and Councilor Baer opposed.**

#### **8. Funding for Weirs Beach and 4<sup>th</sup> of July fireworks**

City Manager Cabanel explained that the organizations which sponsor and maintain the fireworks for these events have asked that the Council reconsider having the funding placed back into the budget.

Planning has been underway for these events for some time, and without a commitment from the Council for funding they cannot hold the events.

Councilor Doyle moved to commit to funding the Weirs Beach and 4<sup>th</sup> of July Fireworks in the 2011-2012 budget year. Seconded by Councilor Bolduc. **Motion passed unanimously.**

#### **9. Adoption of “revised” Internal Control Policy**

**This item did not require discussion or action because action was taken to approve in January 2011.**

#### **10. Schedule special meeting with Belknap County Delegation for Monday, May 2, 2011**

Councilor Lahey moved to schedule a special meeting with the Belknap County Delegation for Monday, May 2, 2011. Seconded by Councilor Hamel. **Motion passed unanimously.**

#### **11. Starting time for budget work sessions**

City Manager Cabanel explained that the Council has scheduled the budget work sessions to begin at 6:30 p.m.; however, there are only three scheduled and this does not leave enough time for all of the departments to present. The request being made is to change the start time to 6:00 p.m.

Councilor Doyle moved to change the start time for the budget work sessions scheduled for April 25, May 9, and May 23, 2011 to 6:00 p.m. Seconded by Councilor Lahey. **Motion passed unanimously.**

#### **12. Schedule Public Hearing for April 25, 2011 concerning establishing a Non-Capital Reserve Fund for Accrued Leave**

Councilor Hamel moved to schedule a Public Hearing for April 25, 2011 concerning establishing a Non-Capital Reserve Fund for Accrued Leave to be held during the regular Council Meeting. Seconded by Councilor Lahey. **Motion passed unanimously.**

#### **13. 2011-2012 Budget/City Manager**

As requested by the Council, City Manager Cabanel has prepared \$406,000 in cuts to be taken in the budget in the event that the State passes the budget as presented by the House of Representatives. These cuts include a part time inspector at the Fire Department, part time staff in the Planning and Code Departments, \$57,000 from the Police Department, \$107,000 from the Fire Department, and \$105,000 from the Library. City Manager Cabanel advised that because the Police Department and Library budgets are disbursed by Police Commission and Library Board of Trustees, the cuts do not necessarily identify with positions as the boards can choose to make cuts from elsewhere within their budget.

In addition, City Manager Cabanel advised she has been working on a plan, with the assistance of the Public Works Director Paul Moynihan and Ann Saltmarsh, to implement the “pay as you throw” program for curbside collection. This would shift the cost from the general budget to an enterprise type fund with full disclosure to the taxpayers. If this is something the Council is interested in pursuing, more information can be made available. When asked the status of the single stream recycling facility through the Cooperative, it was said that they are waiting for two municipalities to sign contracts and they will be ready. Councilor Lahey asked if there is any estimate on the percentage of households are recycling, and that information is not available yet, but the tonnage has increased substantially. Finance Director

Reynolds commented that the Department of Public Works and Finance Department are prepared to bring additional and detailed information before the Finance Committee if requested.

Mayor Seymour commented on the concerns of cuts being made to the mental health agencies, as well as the impact that will have on the communities. It was recommended that the Police, Fire and Sheriff's Departments be consulted to try and find out what percentage of cases involve the mentally ill population, as a way to gage the negative impact these cuts may cause. The Council will ask representatives from these departments to attend an upcoming meeting.

**TABLED ITEMS:**            **NONE**

**UNFINISHED BUSINESS:**            **NONE**

1. Resolution Regarding the re-designation of unexpended bond funds from the \$1,799,800 Water and Revaluation Bond for the construction of a maintenance building for the Water Works in the amount of \$430,000/**Second Reading 4/25/11**
2. Milfoil Treatment Funding Request
3. WOW Trail
4. Master Plan
5. EPA Update
6. Sewer & Water Master Plan
7. Single Stream Recycling/Concord Co-Op

**NOMINATIONS, APPOINTMENTS & ELECTIONS:**            **NONE**

**COUNCIL COMMENTS:**

Councilor Bolduc asked if the Council will need to take any action regarding the proposed project at the old Sundial Shop building. City Manager Cabanel advised that a Temporary Traffic Order will need to be approved by the Council and will be presented at the next meeting.

Councilor Hamel advised that he was at Weirs Beach recently and the roof on the bathhouse is done and looks very nice.

**NON - PUBLIC SESSION:**            **NONE**

**ADJOURNMENT:**

At 9:33 p.m. Councilor Bolduc motioned to adjourn. Seconded by Councilor Hamel. **Motion passed unanimously.**

A True Record Attest:

Mary A. Reynolds  
City Clerk