



**LACONIA CITY COUNCIL MEETING
MAY 9, 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 Matthew Lahey led the Salute to the Flag.

ROLL CALL:

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

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- **Budget work session, regular and non-public minutes of April 25, 2011 Council meeting**

Councilor Bolduc moved to approve the budget work session, regular and non-public minutes of April 25, 2011 Council meeting. Seconded by Councilor Doyle. **Motion passed unanimously.**

CONSENT AND ACTION CALENDAR:

1. **Temporary Traffic Order 2011-06/ MC WEEK 2011**

This is the same order that was approved by the Council in 2010 except for the dates have changed.

Councilor Hamel moved to approve Temporary Traffic Order 2011-06/ MC WEEK 2011. Seconded by Councilor Bolduc. **Motion passed unanimously.**

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

- **“Pay As You Throw”/Liz Bedard & Public Works Representatives**

City Manager Cabanel cautioned the Council that when they move forward with a Pay As You Throw (PAYT) model to educate the public that this is not about saving money, but rather about moving the expenses being charged in a different way as a means of cost containment. City Manager Cabanel also made the point that human nature causes the feeling of being defiant when something is forced upon them; if this can be offered with choices, such as free curbside recycling people will have an option and have different feelings about the program.

Public Works Director Paul Moynihan advised the Council that Ann Saltmarsh has been working on this process for some time, as well as keeping a close eye on the single stream recycling facility being proposed at the Concord Cooperative, and she has been working closely with Ms. Bedard. The City is very thankful to have Ms. Bedard and her expertise to advise the City on this process.

Ms. Bedard reviewed a prepared presentation for the Council (See Attachment #1). Ms. Bedard shared the various bag options and encouraged using a logo, City seal or to include them as an advertising tool for the City website.

Councilor Lipman asked Ms. Bedard to clarify the savings on the tax burden. Ms. Bedard explained that with PAYT, the community has two options; the sale of the bags can be used as a revenue to offset the cost of disposal and transportation or a separate fund can be established on a “cash in/cash out” basis. Councilor Lipman explained the argument that has arisen where people feel that they are already paying for the service through property taxes and if a community goes with the PAYT program it is expected that the tax rate will decrease. Ms. Bedard explained that this is all determined by how the municipality chooses to handle the revenue from the bags; if they use it to offset the expense the tax rate will decrease, but if they choose to use the revenue for other means, such as the purchase of equipment or paving, it will have no decreased effect on the tax rate and may actually increase due to the increase in disposal costs. The PAYT program can be managed to be beneficial to the taxpayer.

Ms. Bedard pointed out that the PAYT program can have additional benefits of increased recycling which is general less expensive for a municipality. City Manager Cabanel explained that the cost of recycling is actually more than solid waste disposal because the City has higher transportation costs associated with recycling because the facility is so far from the City. With the construction of the single stream facility in Concord the hope is to eventually make a profit on the recycling.

Ms. Bedard reviewed the process for distribution of the bags and the process by which they are made available to the residents. The vendor selected will provide the distribution and storage of the bags; a check is sent monthly from the vendor with a report of sales at each location. Ms. Bedard pointed out that low income families will also need to be taken into consideration and in some communities they consider the PAYT program to be a utility and treat it with the assistance level that would be available for other utilities.

It was recommended to get a high quality bag; it will not be convenient to residents if they are using a low quality bag that breaks easily. It is also important to communicate with the stores and to educate the tax payers. By having education and press releases with information it will make the transition easier for the tax payer. In regard to the recycling, Ms. Bedard advised having the tax payers use a standard bin with a recycling sticker provided by the contractor.

Councilor Bolduc asked what would happen if someone put out a regular trash bag. Ms. Bedard advised that it would not be picked up.

With the deadline proposed, Ms. Bedard advised that a decision would need to be made no later than August of this year, with planning and education ongoing through the remainder of the year. It is important to allow at least six (6) months for implementation.

Councilor Lipman asked what the net difference would be between a 30% diversion and the current approach. Ms. Bedard reviewed the current statistics advising that there will be a savings in solid waste disposal of approximately \$1.4 million; however there may be additional curbside collection for recycling because it would need to be collected weekly. An analysis was not done on the recycling collection and would still need to be done if the Council would like this information.

City Manager Cabanel explained that the current rate charged for recycling is based on historical use. If the recycling collection increases substantially, the rate will be more. At the time the City begins making money on the disposal of the recycling it would become a positive situation.

Councilor Lipman asked what the time frame is for the single stream recycling facility. Director Moynihan advised that if an affirmative vote is made this summer the facility would not be ready to accept recycling for over one year. Councilor Lipman stated that the incremental additional cost for recycling needs to be known before any decision can be made. Ms. Bedard advised making it known why you would want to go to PAYT and be firm with it. Councilor Lipman countered that it is obvious that they need to divert the cost of disposal which is consistently increasing, and if it is treated like a utility then people will be more conscious.

Councilor Lipman advised having an analysis of before the single stream facility is in operation and after. This will give a better understanding of the monetary benefits.

Councilor Hamel asked how the PAYT would work for the commercial entities. Ms. Bedard explained that the rate of the disposal at the Transfer Station would increase to the actual cost, rather than the lower rate that it is now.

Councilor Baer asked if the value of recyclables is increasing. Ms. Bedard confirmed they are. The main reasoning for the increase is the initiatives by larger corporations to "Go Green" which has increased the demand.

Councilor Lipman commented that the only residents that are funding the current cost of solid waste are those that are property owners, unless it is built into their rental cost. With the PAYT initiative, there will be more participation than anticipated because of the large base of residential rentals.

Director Moynihan noted that presentation given does show the revenue from the recycling component which could change over the next year if the single stream facility becomes active. Councilor Lipman again asked for a comparison with a 30% diversion which will allow the Council to look at the entire picture.

City Manager Cabanel again encouraged having contact with the contractor and finding out what the cost would be to increase the collection of recycling. Ms. Bedard commented that the contractor, Bestway Disposal, is aware of the presentation this evening and may have the information readily available.

- **Accepting Credit & Debit Card Payments/Assistant Finance Director Donna Woodaman**

Asst. Director Woodaman addressed the Council and reviewed a prepared presentation (See Attachment #2).

City Manager Cabanel asked if this service is for Debit and Credit Cards. Asst. Director Woodaman explained that Debit Cards will be accepted if they have a Credit Card logo but Debit Cards requiring a PIN number will not.

City Manager Cabanel asked if there is an agreement established that will set the fees and they cannot be changed without the Council approval. Asst. Director Woodaman explained that the contract would state rates and can be cancelled if the City is not comfortable with the contract at anytime.

Mayor Seymour asked how the convenience fee is being charged because in many cases you are not permitted to charge a different rate for a customer that is using a credit card than one that is not. Asst. Director Woodaman explained that we are under municipal rules and as long as we advise the customer of the fee we are in no violation of VISA or Mastercard rules.

Councilor Lipman expressed his concern with the interest rate of 2.95%. Asst. Director Woodaman assured the Council that the committee has looked at many options and this is the lowest rate available without having to pay monthly fees, which the City cannot fund at this time. This is being requested as an option for the taxpayer at this time therefore they can choose to use it.

City Manager Cabanel emphasized that the committee has been working on this for a few years and has been tested in other municipalities. In regards to the delinquency of taxes, the rate of interest is 12% or 18% and the City counts on the interest collected each year; it would not be beneficial to counter that revenue by accepting credit cards and lower the number of delinquent accounts. Asst. Director Woodaman advised that this scenario has not been mentioned in any conversations with Tax Collectors throughout the State.

Finance Director Reynolds commented that it is a personal choice of the tax payer to use a credit card. In some cases they are working toward getting benefit points from the credit card company and if they choose to use their credit card and pay 2.95% then we have an obligation to have the service available.

Councilor Lipman stated he does not disagree but would like to make sure that 2.95% is the lowest we can get. Asst. Director Woodaman advised that the next lowest was 2.65% but carried a \$100 per month fee to use the system. With this company having a good standing reputation in the State, they are the best option.

Finance Director Reynolds admitted that her conscious bothers her by accepting credit cards because we may be seeing people up to accumulate bills they cannot afford, but it is a personal choice. This aspect has been discussed among the committee.

Councilor Doyle noted that the current generation does not carry cash; they use the debit card for everything. It is a convenience and will be appreciated.

MAYOR'S REPORT:

Mayor Seymour thanked Councilor Hamel and Councilor Bolduc for taking his place at the Laconia Little League Opening Day and representing the City.

Mayor Seymour acknowledged that this is the final official meeting for City Manager Cabanel. Mayor Seymour thanked City Manager Cabanel for her years of service to the City and all of her accomplishments.

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: **NONE**

MANAGER'S REPORT:

City Manager Cabanel had no formal report for the Council, but did express her deep appreciation for the Council and their support over the last 10 years as City Manager. It was also expressed how much she will miss the City and its employees.

NEW BUSINESS:

1. Proposed Ordinance Amendment to Chapter 235, Zoning Regarding Impact Fees/First Reading

Planning Director Shanna Saunders presented the proposal from the Planning Board. The proposal was made to the Council a few months ago and requested to keep a grandfathering clause in the amendment, which required a new public hearing before the Planning Board. The Public Hearing was well attended with at least 10 members of the development community in attendance to speak for or against the amendment. The Planning Board made additional changes to the amendment at that time, which was advised to the Council in a memorandum dated May 5, 2011.

Councilor Lahey expressed that he will vote for the amendment, but has issues with two other areas. The amendment has a Schedule of Payments (22-7, e) where it is indicated that upon the issuance of a Certificate of Occupancy the Impact Fees will be due. The Schedule of Payments allows for a bond or Letter of Credit in lieu of payment; in referencing the development on White Oaks Road, there was a Letter of Credit issued and expired before the completion of the project and therefore was invalid. Director Saunders has sought advice from Legal Counsel on this particular section and was advised that it was taken directly from RSA 674:21, which states the Council can use this method. Councilor Lahey commented that this leads into his next concern with the Waivers (22-8) which gives the Planning Board the authority to waive the fee and sets a precedent for them to substitute their better judgment for a bettering public project. As an example, Councilor Lahey used a developer coming in and building 100 homes and being asked to build a half mile section of the WOW Trail in exchange for the payment of Impact Fees; something like this would not be supported by the Council but would be by the Planning Board. It should not be routine to waive these fees.

Councilor Lipman confirmed the concern that is being raised in reference to certain policies, but if we have an ordinance with no flexibility we will preclude ourselves from considering different scenarios. It was suggested that the ordinance amendment refer to having guidance from the City Council. Director Saunders stated that she had posed this to Legal Counsel and they were uncomfortable with this avenue because the RSA is very clear that this is a Planning Board task as the administrator; the Planning Board is very clear as to what the ordinance is intended to do and that they need to work within that framework.

City Manager Cabanel stated that the Council may have some reluctance because over the past years many projects keep getting continued and may leave the impression that the Planning Board is lenient on the end of the developers. Director Saunders stated that the Planning Board has recently implemented practices to avoid this from happening in the future. If some of the aspects that are passed do not have an outcome that is hoped, the process can be changed later.

Councilor Hamel commented that the grandfathering is still a concern, but feels it can become a non-issue if the Planning Board is conservative on issuing extensions and forcing people to fall under the new ordinance amendment.

Councilor Doyle moved a first reading of an Ordinance Amendment to Chapter 235, Zoning Regarding Impact Fees. Seconded by Councilor Bolduc. **Motion passed unanimously.**

2. Proposed Ordinance Amendment to Chapter 31, Finance Regarding Accepting Credit and Debit Card Payments/First Reading

Mayor Seymour requested a first reading to open this item up for discussion.

Councilor Hamel moved a first reading of an Ordinance Amendment to Chapter 31, Finance Regarding Accepting Credit and Debit Card Payments. Seconded by Councilor Bolduc.

Councilor Baer expressed her desire to have this item placed into committee for further inspection; she does not feel enough time and consideration has been given to this item.

Mayor Seymour advised that the committee chosen to look at this has been doing so for over two (2) years and their recommendation is adequate.

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

3. Winnepesaukee River Basin Memorandum of Agreement/Refer to Committee

City Manager Cabanel explained the temporary agreement that has been reached between the communities. At this time the Council will need to give direction to agree to the temporary agreement or to request revisions. The Council has no objections to the current temporary agreement with the understanding that legislation is being proposed to change the governance of the Winnepesaukee River Basin Project (WRBP) to include the current advisory committee that consists of the communities involved in the project.

The Council requested a report on the meeting to be held tomorrow, which is inclusive of the upcoming Capital Improvement to the facility, at the next regular meeting. Public Works Director Moynihan will be in attendance and present this item as well as the impact this may have on Sewer Rates.

4. Revised City Investment Policy

Finance Director Reynolds advised the Council that only one change is being requested at this time, which is to the time frame by which investments can be held; the change would be from 12 months to 18 months. This would allow the City to capture more interest on the investment.

Councilor Lipman moved to accept the revised City Investment Policy as presented. Seconded by Councilor Hamel. **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

NOMINATIONS, APPOINTMENTS & ELECTIONS: NONE

COUNCIL COMMENTS:

Councilor Hamel commented that he is in agreement with the comments made by Mayor Seymour in regards to City Manager Cabanel. She has served the City well and will be missed; she always looked out for the good of the City. Personally, Councilor Hamel thanked City Manager Cabanel for her mentoring over the years.

Councilor Baer thanked City Manager Cabanel for her mentoring and having an open door to her. As the City Manager has praised her treatment by the employees, she has equally treated them and the Council with respect. Councilor Baer wished City Manager Cabanel the best in her new position.

Councilor Bolduc agreed with all of the comments made by Councilor Hamel and Councilor Baer. Councilor Bolduc has appreciated all of the open communication with the City Manager and wished her luck in her next position.

Councilor Doyle thanked City Manager Cabanel for her guidance.

Councilor Lipman commented that he personally appreciated the hard work and effort put forth by the City Manager.

Mayor Seymour commented that this relationship is like a family; you don't always get along but in the end there is still respect and wished the City Manager well.

NON - PUBLIC SESSION: NONE

ADJOURNMENT:

Councilor Bolduc moved to adjourn at 9:59 p.m. Seconded by Councilor Hamel. **Motion passed unanimously.**

A True Record Attest:

Mary A. Reynolds
City Clerk