



**LACONIA CITY COUNCIL MEETING
MAY 23, 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 Henry Lipman led the Salute to the Flag.

ROLL CALL:

City Clerk Reynolds called the meeting to order with the following Councilors present: Councilor Doyle, Lahey, Lipman, Baer, Hamel and Bolduc. Also present Finance Director Pam Reynolds.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- **Minutes of special meeting on May 2, 2011, budget work session and regular minutes of May 9, 2011**

Councilor Bolduc moved to approve the minutes of the special meeting on May 2, 2011, budget work session and regular meeting minutes of May 9, 2011. Seconded by Councilor Hamel. **Motion passed unanimously.**

APPOINTMENT OF ACTING CITY MANAGER:

1. Appointment of Pam Reynolds as Acting City Manager

Councilor Baer moved to appoint Pam Reynolds as Acting City Manager for a term of not more than 180 days in accordance with RSA 49-c:17, III. Seconded by Councilor Bolduc. **Motion passed unanimously.**

CONSENT AND ACTION CALENDAR:

1. **American Legion Post 1 – requesting approval to raise funds (concession stand) at Memorial Baseball Field June 12 through July 19, 2011** - This same request was approved by the Council in the past. The only change is the dates.
2. **Request by Lakeport Association to use and raise funds on City property (City parking lot on Railroad Ave.) from June 16 to June 19, 2011. They also request the waiver of the City vendor fee for Bike Week.** – This same request was approved by the Council in the past. The only change is the dates.

Councilor Lipman moved to approve both requests as presented. Seconded by Councilor Bolduc. **Motion passed unanimously.**

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA:

Kevin Morrissette requested to address the Council. Mr. Morrissette advised the Council that he has been having difficulty with a previously unenforced section of the City Code; Chapter 119-2 requires that architecturally prepared plans for all one or two family or multifamily residences that apply for a building permit. Mr. Morrissette feels that this requirement is unnecessary when the chapter allows for commercial projects less than 4,000 square feet to be exempt. This enforcement has infringed on the ability to start projects and currently Mr. Morrissette is not able to start projects.

Acting City Manager Reynolds asked if Mr. Morrissette thinks it is ever necessary to have an architectural plan for a single family home. Mr. Morrissette advised that a situation may arise when the inspector feels it is necessary but all components of a single family home are engineered before compiled.

Acting City Manager Reynolds will look into the issue and present an ordinance amendment if necessary.

In the event a public hearing is needed, Councilor Lipman moved for it to be held during the regular Council Meeting of June 13, 2011. Seconded by Councilor Hamel. **Motion passed unanimously.**

Mr. Morrissette also expressed his displeasure with the enforcement of a City order banning through traffic on Lexington Avenue between the hours of 3:00 p.m. and 4:00 p.m. Mr. Morrissette stated that he, as well as his daughter, are continually stopped by police officers in the area for passing through to get to their home, which is located on the north side of Shore Drive. It was the recommendation of Mr. Morrissette to issue some form of a permit to the residents of this area, or to remove the traffic order all together. The alternative to using Lexington Avenue is to use Blueberry Lane which poses larger safety concerns with school children getting off of the buses and crossing streets.

Mayor Seymour advised that they will look into the matter and possibility of having a residency exemption.

INTERVIEWS: NONE

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

- **Got Lunch!/Paula Gile and John Walker**

Rev. Paula Gile and Mr. Walker explained the Got Lunch program to the Council.

By recent statistics, it has been determined that 2/3 of students in the Laconia School District receive free or reduced breakfast and/or lunch. With the understanding that these families have needs when school is not in session, the Got Lunch program was developed to provide healthy lunches to these families for the 10 weeks that the children are on summer vacation. The cost to provide this service to

one child is \$110 for summer. Rev. Gile advised that they have received a commitment of 100 loaves of bread per week from a distributor in Concord, as well as support from the local community, but this is not enough. Anyone that can make contributions is encouraged to contact Rev. Gile at 524-0668 or email her at paula@laconiaucc.org.

Mayor Seymour added that over 60% of the children that attend Laconia Schools are on free or reduced lunch and they need support for the summer. This group was invited to make the City aware of the efforts these individuals are making on behalf of the children.

- **Winnepesaukee River Basin Project (WRBP)**

Sharon McMillin and Public Works Director Paul Moynihan reviewed a prepared presentation for the Council (see Attachment #1).

Councilor Baer asked why no money is being set aside to meet the expenditures of the upgrades needed. Ms. McMillin advised that there is a sinking fund that has been established by legislation that limits the amount to be saved to 5% of the depreciable assets spread out over a five (5) year period. This is being discussed with the Member Communities to get input on how they would like to establish a fund for the future. Councilor Baer stated that she is concerned with the lack of planning with the expenditures and the expectation to have \$40 million in projects funded by the Member Communities with no legal way to interject. Ms. McMillin replied that there are no \$40 million projects but rather a list of projects that are being spread over several years and each Member Community being provided ample notice that the projects are being prepared for as well as the costs.

Councilor Hamel asked if the WRBP contributed to the Weirs Boardwalk repairs. Director Moynihan advised that in the first two weeks following the damage the sewer was undermined and Piscopo came in and did the emergency repairs with the cost covered by WRBP.

Councilor Lipman asked how the 60 communities with septic rights figure into the discussion. Ms. McMillin advised that each of the communities that bring material to the WRBP pay a tipping fee to deliver the material, which is an offset to the Operating and Maintenance Budget. Councilor Lipman stated that he would like to ensure that, in light of the increase in rates for Laconia, that the Member Communities are not subsidizing for others. Ms. McMillin explained that the tipping fees are demand driven; if they are raised too high they will go elsewhere because of the offset in transportation cost. In the last few years they have had a few rate increases. Councilor Lipman asked where the competition is for the tipping of material. Ms. McMillin advised that WRBP is the only DES run system, but others include lagoon systems and land systems but many communities take the material out of the State.

Director Moynihan encouraged members of the Council to visit the WRBP and tour the facility. In reviewing estimates for the bid for the UV Protectant system, Director Moynihan reviewed the proposals and the opportunities for funding for the project.

Councilor Lipman noted that it has been helpful to have another perspective, but the better perspective is to understand that we need a different way of funding this than with a 30% rate increase. At this time it would be important to find the steps to getting legislation introduced to finance these projects in a more efficient manner. Director Moynihan commented that this is the third project that is scheduled to be completed in six years and it is important to take into consideration that it needs to be done. Councilor Baer commented that the City is responsible for the majority of the cost for these projects. Director Moynihan acknowledged this point. Ms. McMillin also stated that there is a proposed rate

schedule that has been provided and the loan will not be due until after substantial completion of the project which is scheduled for 2014. Councilor Lipman countered that they are being told that a 30% increase will be assessed now, not in 2014. Director Moynihan commented that this topic will be covered in a later segment of tonight's meeting.

Director Moynihan highlighted that former City Manager Eileen Cabanel as well as the leaders of the other communities have been looking into more constructive ways to fund these projects and the progress is an ongoing effort.

Councilor Hamel noted that it is amazing that for the amount of time the facility has been in place, that no funding has been set aside for the purposes of projects and now there is only discussion. Director Moynihan commented that the point is correct and the action not being taken sooner is being acknowledged. Some small amount of comfort can be taken on the knowledge that the rates have been so low for so long. Councilor Lipman made the point that the process going forward should be to find a solution to this problem of funding.

MAYOR'S REPORT:

Mayor Seymour discussed the questions being raised in regards to the process being followed by the Council in the hiring process of a new City Manager, as well as the inclusion of City employees in the process. These concerns were brought to the Mitchell Group and they have confirmed the process being followed is legal and advised the Council to proceed as intended. In addition, Municipal Resources Inc (MRI) has narrowed the pool of candidates to six or seven qualified candidates; the date selected for interviews is May 27 beginning at 9:00 a.m. This day has created some issues for some Councilors, but the issues have been worked out for all but one. This is going to be a non-public session of the Council and requires a Special Meeting to be held.

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

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:

Acting City Manager Pam Reynolds advised that a meeting was held last week with Rick Jones, Paula Baumol and Donna Woodaman as an information session for health insurance solutions. Mr. Jones has taken all of the current information and offered encouraging results. The prescription drug usage has decreased from 30% to 19% as a result of offering generic options at no cost. It was also found that only 13% of the people use 67% of the service provided; this is a valuable statistic as we look forward to a deductible plan because many of the services provided that require the deductible will only effect 13% of the people in the plan. It was also discussed how to handle the new rates (last year no rate increase was passed on to employees) and it was determined that unless the Council has an objective, the rates will increase for employee contributions. With the goal of a three year contract, it was discussed having higher deductibles, higher co-payments, as well as the effect of the excise tax on the City. In the City case it could cost as much as \$1 million. The plan is to have Mr. Jones and Ms. Baumol meet with the unions within the City to determine what they are willing to negotiate for the upcoming contracts.

Councilor Hamel asked what the meaning of a standard policy is and what is defined as a premium plan. Acting City Manager Reynolds advised that a dollar amount is referenced rather than specific covered services making it very vague. The implementation date has been stretched for several years to accommodate all of the unknowns in the legislation.

As previously requested by the Council, Acting City Manager Reynolds has been working on compiling a list of what the City charges for various fees in each department. This information should be available on the main page of the City website very soon.

Acting City Manager Reynolds has also been working on the Lakeport Tax Increment Finance (TIF) District and will be presenting this information to the Council as the next regular meeting and requested to hold a Public Hearing at that time.

Councilor Hamel moved to hold a Public Hearing regarding the proposed Lakeport Tax Increment Finance District during the regular Council meeting on June 13. Seconded by Councilor Bolduc. **Motion passed unanimously.**

It was also advised that Liz Bedard will be returning on June 27 with another presentation on Pay-as-you-Throw. Councilor Lipman advised that he would like an analysis on the model used by the City of Franklin. Mayor Seymour has already had some conversations with the City of Franklin and will contact them again.

Tax bills will be mailed on May 26 and due on July 8, 2011.

A meeting was held today regarding the round-a-bout in the Weirs; Public Works Director Moynihan and Planning Director Shanna Saunders attended. A start date has been projected for spring and there is \$120,000 left in a bond account from the Revaluation account that is no longer needed for that purposes. It would be possible to re-designate this funding to this project at this time and save it for that project.

In the Legislative Bulletin, the Senate has made a proposal for New Hampshire Retirement to keep the State portion at 25%, but it is unknown how reliable this is at this time. The Local Government Center has recently lost a dispute with the State of NH regarding the question of the shift of retirement contributions to the municipalities being an unfunded mandate; because the municipalities have taken the burden of a portion of the retirement cost it is not unjust for the State to add to that burden.

In regard to revenue, Acting City Manager Reynolds advised that building permits are up slightly. Councilor Baer asked if revenues are still down in most departments. Acting City Manager Reynolds confirmed that at the end of April not much had changed and at the end of this month it will be clearer. It was also advised that there will be \$142,000 in current use being billed next week.

NEW BUSINESS:

1. Sanitary Sewer Fund Rates

Acting City Manager Pam Reynolds and Public Works Director Paul Moynihan reviewed there proposal to the Council. The sewer rates have not been changed since 2007; prior to the rate increase at that time it had been consistent since at least 1992. The proposal for the next three years is:

Fiscal Year 2012	Increase of 30%
Fiscal Year 2013	Increase of 20.8%
Fiscal Year 2014	Increase based on debt service

The amounts have been proposed based on the assumed increases in salaries, retirement, health insurance and the WRBP operating budget and the capital upgrade in the UV system at the current bid price.

Director Moynihan reviewed the rate structures for each increase as well as the supporting figures. In comparison to surrounding communities our rates are the second to lowest.

Councilor Hamel asked if the rate increases will cover the cost of the Capital Improvement Project (CIP) planned. Director Moynihan expressed that the intent is to have that be the case but that will fall in the rates for fiscal year 2014 which still needs to be adjusted. Acting City Manager Reynolds needs to adjust the projections based on the grant received for \$600,000.

Acting City Manager Reynolds commented that the increase in the rate has been proposed to the consumption rather than the base rate so that those who use less water will not be paying for more water than they use.

Mayor Seymour referred this item to the Finance Committee for further review.

2. Acceptance of Turner Way as a City Street

Public Works Director Paul Moynihan explained to the Council that his department, as well as the Planning Department have been working with the developer and feel that they will meet the remaining requirements and suggest the Council accept Turner Way as a City Street.

Councilor Lipman moved to accept Turner Way as a City street with the recommendations of the Planning Department and the Department of Public Works. Seconded by Councilor Lahey.

Councilor Bolduc asked if the conditions were made by the Department of Public Works. Director Moynihan confirmed it is. Councilor Bolduc recommended having a condition in the motion to have a time condition be met. Director Moynihan agreed suggesting a date of September 30, 2011.

Attorney Stephen Nix represents the developer and affirmed that they have no objection to a time condition being placed on the completion of the required terms.

Director Moynihan confirmed that the water system is private and there is an easement stating such. Attorney Nix confirmed it is and that the association would be responsible for all related expenses and that any repairs will be made at the expense of the association.

Councilor Lipman amended his motion to include a deadline on completion of the recommended terms by September 30, 2011. Seconded by Councilor Lahey. **Motion passed unanimously.**

3. Request by Fred Eno for approval to operate a dynotuning business during MC Week (request was received too late for approval by Motorcycle Technical Review Committee)

Mr. Eno reviewed his site plan and operation with the Council. Mr. Eno advised that he is aware of the recommendation of the Planning Director to limit his business hours to 10:00 a.m. to 6:00 p.m. because of noise concerns and requested this be expanded to 9:00 a.m. to 9:00 p.m.; Mr. Eno stated that there are two other vendors offering the same service this year and they are not being held to time restrictions and applying one to him would limit his ability to complete services that come in closer to 6:00 p.m.

Councilor Hamel advised that this location is not in the usual area of these services but is in an area where the noise from the service may be unpleasant to the surrounding area. Councilor Bolduc echoed these concerns.

Councilor Lahey moved to accept the request with an operating time of 10:00 a.m. to 6:00 p.m. and with the condition that the open end of the Dyno Tuner trailer be faced to the rear of the site away from the roadway and away from the abutting residential unit. Seconded by Councilor Baer.

Councilor Hamel requested to amend the motion to include that all fees will be paid to the City. Councilor Lahey amended his motion to include the payment of all fees to the City. Seconded by Councilor Baer. **Motion passed unanimously.**

4. Schedule Special Council Meeting for May 27th from 8:30 a.m. to 4:30 p.m. to interview candidates for the City Manager position

Mayor Seymour advised that there has been a change in time to beginning at 9:00 a.m.

Councilor Baer moved to schedule a Special Council Meeting for May 27 beginning at 9:00 a.m to interview candidates for the City Manager position.

5. Letter to Belknap County Delegation supporting override of Governor Lynch's veto of "Right to Work" bill

Councilor Lahey asked why the Council was considering this proposal and who had made the recommendation and who drafted the letter. Councilor Lahey commented that he does not receive phone calls on many issues and he has received many on this topic and does not understand why the Council would entertain the notion.

Mayor Seymour explained that the idea was broached during a conversation between himself and Councilor Lipman and Marie Bradley was asked to draft a letter.

Councilor Lipman commented that his reasoning for this being in the best interest of the City is to allow for an equal way of negotiating when a constructive solution cannot be reached.

Councilor Lahey disagreed with the president because the Right to Work Bill is designed to allow those who do not want to be members of a union the option to remove themselves.

Councilor Baer moved to extend the meeting until 10:30 p.m. Seconded by Councilor Hamel. Motion passed unanimously.

Councilor Lahey stated he has never heard from any City employee that they would like to have the option to not be a member of the union. Councilor Lahey had provided a statement from the Governor reviewing the reasons why the Right to Work Bill should not become law, including the fact that he has never heard a prospective employer deter from New Hampshire because they do not have Right to Work. It was agreed that something needs to be done regarding the cost health insurance and the types of plans offered but the Right to Work Bill is not the solution.

Councilor Bolduc agreed with Councilor Lahey.

Acting City Manager Reynolds commented that on several occasions employees have expressed their displeasure with the union and have inquired as to there being an option to opt out of participating. Councilor Hamel confirmed that they do not have any other option at this time; Acting City Manager Reynolds advised that they must authorize us to deduct from their pay and no one has ever refused to authorize and if the situation were to arise there is no procedure for a remedy. Councilor Lahey advised Councilor Hamel that the Council would have the option to negotiate something like this out of the contracts if there was discontent with the employees.

Councilor Baer advised that she has read in several publications that states that have the Right to Work initiative have shown increases in employment and industry and therefore doesn't understand why Councilor Lahey is so opposed to the idea; it cannot hurt anything to have it. Councilor Lahey stated that the Council has and always has had the authority to make changes to contracts and it doesn't need to be done on the State level.

Councilor Lipman commented that in the six years he has been on the Council negotiations with the unions have not been effective and the City is left in a position to give something to get any concessions and this comes at the expense of the tax payers. Those in the private sector are seeing loss in their benefits and pensions while those who work for the City are still getting everything the same; the dynamic of this needs to be changed because those who are receiving the services are losing, using the increase in sewer rates as an example. Councilor Lipman advised that this could set a precedent to be followed and it is needed.

Councilor Doyle asked Councilor Lahey what is so wrong with giving people a choice. Councilor Lahey stated that this is an option for the Council in negotiations already. Employers have also stated that negotiating is hard enough, and this would result in having to negotiate with those in the union and then those who are not. Councilor Lipman stated that if that is what is needed to break the cycle then it should be done.

Councilor Hamel asked how representation by the union is defined in the language of the Bill. Representative Harry Accornero advised that this is the exact item that has come up to the Legislator in the past. When this Bill came to the House, a meeting was held with union officials at which time they requested having the Bill changed to exclude the unions having to represent those who have opted to not participate. This amendment was added to the Bill and passed in the House by an overwhelming vote; when the Bill went to the Senate the amendment was taken out and passed. When Representative Accornero questioned why it was removed, he was told the unions had requested it be removed. The reasoning was that the unions wanted to kill the Bill; when it came back to the House there was not enough votes overturn the amendment. Representative Accornero advised that he was told after the Bill is passed they can request an amendment to the Bill during the next session and make this change. It was further advised that Representative Accornero is not against unions, but is for having the right to work. There was conversation relative to the accuracy of this statement and it was concluded that the current Bill does not have fees and does not include representation by the unions.

Mayor Seymour commented that for those Councilors that think this isn't about money are wrong; it is about money. If they do not take fees from the individuals who are not members then the union will be losing money.

Councilor Lahey requested to have a member of the community address the Council. Mayor Seymour invited Bill Tarallo to address the Council.

Mr. Tarallo advised that he does not understand what Representative Accornero was stating and reviewed the process. Mr. Tarallo advised he is a member of a local union and has attended both hearings on this Bill; no one said that an amendment needed to be added or removed and the room was full of union members. The reasoning for the lack of union members present was because no one knew about it until it was in the newspaper on Saturday at which time Mr. Tarallo phoned as many members of the Council as he could reach; the thought is that this is being snuck in and no one was given sufficient notification. If this was being done in a week, there would be more attendance this evening; these are the same people that would be in Concord opposing this item and their own Council is voting

to support it. Mr. Tarallo explained that this issue is going to come up again next year and that will give sufficient time for all of the issues with the Bill to be worked out. Mr. Tarallo asked the Council to vote not to support the veto and allow more time for the local union representatives to react.

Mayor Seymour clarified that he supports unions and collective bargaining but does not support it being forced on employees.

Councilor Lipman requested Mayor Seymour to call the question with a roll call vote on the Councilors present to get a concept of how the vote would stand.

Councilor Lipman made a formal motion to approve the letter as presented with a show of hands vote of the Council. Mayor Seymour called the question with the following Councilors Lipman, Baer and Doyle in favor and Councilors Lahey and Bolduc opposed. Councilor Hamel abstained. **Motion passed on a 3-2-1 vote of the Council.**

Mayor Seymour noted that the letter will be revised to reflect the actual vote of the Council.

UNFINISHED BUSINESS:

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

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

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

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

3. Milfoil Treatment Funding Request
4. WOW Trail
5. Master Plan
6. EPA Update
7. Sewer & Water Master Plan
8. Single Stream Recycling/Concord Co-Op

NOMINATIONS, APPOINTMENTS & ELECTIONS: NONE

COUNCIL COMMENTS:

Councilor Hamel advised the Council that all Veteran's have been invited to march in the Memorial Day Parade and are encouraged to contact Don Doherty if you are in need of transportation. Also, the members of the Council have been asked to drive the lead cars that will represent each conflict.

Councilor Hamel moved to extend the meeting until 10:40 p.m. Seconded by Councilor Bolduc.

NON - PUBLIC SESSION:

Councilor Hamel moved to enter into non-public session according to RSA 91-A:3, II:(a) The dismissal, promotion or compensation of any public employee, or the investigation of any charges against him, unless the employee affected (1) has a right to a meeting and (2) requests that the meeting be open, in which case the request shall be granted and (b) The hiring of any person as a public employee.

Seconded by Councilor Lahey.

On a roll call vote of the Council, it was moved to enter into non-public session at 10:29 p.m.

Councilor Baer moved to have Assistant Finance Director Donna Woodaman present. Seconded by Councilor Hamel. **Motion passed unanimously.**

On motion of Councilor Bolduc and seconded by Councilor Hamel, it was voted to come out of non-public session. Councilor Bolduc moved to seal the minutes for two years, seconded by Councilor Hamel. **Motion passed unanimously.**

ADJOURNMENT:

Councilor Bolduc moved to adjourn at 10:40 p.m. Seconded Hamel. **Motion passed unanimously.**

A True Record Attest:

Mary A. Reynolds
City Clerk