



**LACONIA CITY COUNCIL MEETING
JUNE 25, 2012
CITY HALL – CONFERENCE ROOM 200A
7:00 P.M.**

CALL TO ORDER:

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

SALUTE TO THE FLAG:

Councilor Robert Hamel 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 Scott Myers and Finance Director Donna Woodaman.

Mayor Seymour announced that he will be moving Nominations, Appointments & Elections to immediately follow Interviews and item #1 under New Business will be taken up following Nominations, Appointments & Elections.

ADOPTION OF MINUTES OF PREVIOUS MEETINGS:

- **Budget Work Session, Regular and Non-Public Minutes of June 11, 2012**

Councilor Bolduc moved to approve the budget work session, regular and non-public minutes of June 11, 2012. Seconded by Councilor Hamel.

Councilor Lahey commented that a correction needs to be made in the non-public minutes and he does not feel they should be approved at this time in the agenda.

Councilor Bolduc amended his motion to exclude the non-public minutes of June 11, 2012. Seconded by Councilor Hamel. **Motion passed unanimously.**

CONSENT AND ACTION CALENDAR:

- 1. Temporary Traffic Orders**
 - a. Kelly Miller Circus & Laconia Main Street for July 6th through July 8th**

Councilor Bolduc moved to approve Temporary Traffic Order 2012-10 Kelly Miller Circus & Laconia Main Street for July 6th through July 8th. Seconded by Councilor Hamel.

Councilor Baer asked if there was going to be a representative directing parking because she has received several phone calls from people that are concerned. Don Vachon replied that last year there was not an issue and he does not know what differently to expect this year. Those with handicapped privileges are permitted to park in a designated area. If there is a concern, they would be happy to have someone assisting.

Chief Adams advised that the Community Resource Officers will be doing traffic control and should help alleviate concerns.

Motion passed unanimously.

b. Easters Seals NH 12th Annual HK Powersports Land & Lake Poker Run

Councilor Bolduc moved to approve Temporary Traffic Order 2012-11 Easter Seals NH 12th Annual HK Powersports Land & Lake Poker Run. Seconded by Councilor Hamel. **Motion passed unanimously.**

2. Request for approval to use City Hall parking lot between Belknap Mill and City Hall for the period of June 28th through October 2nd for the Laconia Farmers' Market

City Manager Myers explained that the Laconia Farmers Market actually started this past Saturday and he gave permission for the space to be used because the Council was not meeting again in the interim.

Councilor Hamel clarified that this request should state that the space being used is from City Hall to the Post Office because that is the space they are actually using.

Councilor Lipman moved to approve the request by the Laconia Farmers Market to use the City Hall Parking lot between City Hall and the Post Office for the period of June 28th through October 2nd. Seconded by Councilor Bolduc. **Motion passed unanimously.**

CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA: NONE

INTERVIEWS:

- **Planning Board:** *(2 regular positions vacant, 2 alternate positions vacant)*

1. Don Vachon - seeking appointment as an alternate for a 3-year term expiring 2014

Mr. Vachon addressed the Council. Mr. Vachon expressed that he is interested in the Planning Board as a way to give back to his community.

NOMINATIONS, APPOINTMENTS & ELECTIONS:

- **Building Code Board of Appeals:** *(3 at-large vacancies; Planning Department is hoping to reinstate this Board this year)*

1. Timothy Ames - seeking appointment as a full member-at-large for a 5-year term expiring 2017

Councilor Hamel moved to appoint Timothy Ames as a full member-at-large for a 5-year term expiring in 2017. Seconded by Councilor Bolduc. **Motion passed unanimously.**

- **Water Commission:** *(1 regular position vacant)*

1. **Paul Dibona - seeking reappointment as a full member for a 3-year term expiring 2015**
2. **Thomas Selling - seeking appointment as a full member for a 3-year term expiring 2015**

Councilor Bolduc moved to appoint Paul Dibona to the Water Commission as a full-member for a 3-year term expiring in 2015. Seconded by Councilor Doyle. **Motion passed unanimously.**

- **Planning Board:** *(3 regular positions vacant, 2 alternate positions vacant)*

1. **Warren Hutchins - Reappointment as a full member for a 3-year term expiring 2015**

Councilor Hamel moved to appoint Warren Hutchins as a full-member of the Planning Board for a 3 year term expiring in 2015. Seconded by Councilor Bolduc. **Motion passed unanimously.**

2. **Larry Guild - Appointment as a full member replacing Kyril Mitchell for a 3-year term expiring 2015**

Councilor Bolduc moved to appoint Larry Guild as a full-member of the Planning Board to replace Kyril Mitchell for a 3-year term expiring in 2015. Seconded by Councilor Doyle. **Motion passed unanimously.**

3. **Jay Tivnan - Currently an alternate; appointment as a full member to fill the unexpired term of Tobias Paddock, term expiring 2014**

Councilor Doyle moved to appoint Jay Tivnan as a full-member of the Planning Board to fill the unexpired term of Tobias Paddock expiring in 2014. Seconded by Councilor Bolduc. **Motion passed unanimously.**

4. **Charles Smith - Appointment as an alternate member for a 3-year term expiring 2015**

Councilor Doyle moved to appoint Charles Smith as alternate member of the Planning Board for a 3-year term expiring in 2015. Seconded by Councilor Bolduc. **Motion passed unanimously.**

5. **Don Vachon - Appointment as an alternate for a 3-year term expiring 2015**

Councilor Hamel moved to appoint Don Vachon as an alternate member of the Planning Board for a 3-year term expiring in 2015. Seconded by Councilor Bolduc. **Motion passed unanimously.**

NEW BUSINESS

1. **Laconia Airport Authority Concessionaire Agreement with Hertz Corporation**

Airport Manager Diane Cooper expressed that it is wonderful to have three national companies at the Laconia Airport.

Councilor Hamel moved to approve the Concessionaire Agreement with The Hertz Corporation in accordance with the Concessionaire Agreement attached hereto and made a part hereof and to authorize the City Manager to execute the Concessionaire Agreement on behalf of the City of Laconia. Seconded by Councilor Bolduc. **Motion passed unanimously.**

COMMUNICATIONS: NONE

PUBLIC HEARING: NONE

PRESENTATIONS:

- **Superintendent Champlin**

Superintendent Champlin explained that last week the Laconia School District was before the State of NH Board of Education for an appeal regarding Elm Street School. At this appeal it was going to be decided that Elm Street School was either in compliance with No Child Left Behind or would be fined for violations of the same. Supt Champlin reviewed the presentation made to the State of NH Board of Education for the Council. (See Attachment #1).

Supt Champlin advised the Council that Elm Street School has been cleared of any violations and is currently in good standing with the State of NH Board of Education.

Mayor Seymour thanked Supt. Champlin for his presentation.

Councilor Hamel expressed that the school is doing a great job and they are working hard for the kids.

MAYOR'S REPORT:

Mayor Seymour commented that Work Out Laconia was a great success with close to 1,000 in attendance. There are follow up events scheduled in September and it is hoped to have equal, if not more, community support.

Councilor Bolduc and Mayor Seymour attended the ribbon cutting for the new showroom at Cantin Chevrolet. The Cantin family is committed to investing in the City and committed to using local businesses to get the project completed; this was a valued accomplishment for the community and is greatly appreciated.

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

No report on any item in committee

5. LAND & BUILDINGS: (Hamel, Lipman ,Bolduc) (Report on meeting of 6/29 at 6:15 p.m. re: Downtown TIF)

- a) Repair & maintenance of City Buildings
- b) Former Laconia Police Department Building

Councilor Hamel reported that the Downtown TIF Advisory Committee had presented information regarding hiring landscaping engineers to assist them in the development of a pocket park at Pleasant and Main Streets and the area in front of Sawyer’s Jewelry. They will be coming back to the Council with recommendations on this item. Additionally, the Committee also discussed public restrooms in Downtown and possibilities for the former Laconia Police Department building.

LIAISON REPORTS: NONE

MANAGER’S REPORT:

City Manager Myers reviewed the Economic Development Report (see Attachment #2) and Recycling Report (see Attachment #3).

Councilor Lipman commented that in a national study of healthy economic conditions conducted by Polycom, which included 538 cities, the City ranked 34th, with the City of Concord ranking 1st and the City of Lebanon ranking 8th. Councilor Lipman recommended posting a copy of the report on the City website. City Manager Myers advised that he will do so and it is important to see encouraging signs for the local economy.

Regarding Motorcycle Week, City Manager Myers advised the Council that although not all of the numbers are in at this time, the projections look good with overtime being under the budgeted amount and revenues being consistent. When staff spoke with vendors, they expressed that it was a profitable week for them as well. City Manager Myers commended the City staff involved, including the School District, for making the week successful.

Mayor Seymour expressed that one comment he heard from a vendor indicated that the Police Department was extremely helpful and courteous, which is encouraging to hear.

NEW BUSINESS:

2. Acceptance of Collective Bargaining Agreement from the Laconia Police Officers Association

Councilor Lahey referred back to the non-public minutes of June 11. Councilor Lahey referred to the contract and requested that the confusion regarding new hires be struck from the minutes as the information is not reflected in the minutes.

Councilor Lahey moved to amend the non-public minutes of June 11 to strike the last sentence of the section referring to "Item 2, Page 10" from the minutes. Seconded by Councilor Lipman. **Motion passed unanimously.**

Councilor Hamel moved to accept the Collective Bargaining Agreement from the Laconia Police Officers Association. Seconded by Councilor Baer.

Councilor Lahey stated that he opposes the agreement because of the accrued sick time allotment because it is not fair to the tax payer that a retiring employee is awarded 90 days of sick time. Having 13 sick days a year is more than other employees in the area, in the private sector, would be fired if they were out of work sick and it is an insult to those people to be paying out these amounts. Councilor Lahey continued that in the AFSCME and SEA agreements the accrued sick time was reduced to 45 days and it is surprising to see it in this contract, especially when the City Manager signed a contract with no accrued sick time when he leaves.

Councilor Lahey also commented that there are incentive days in the contract that are also absurd, including provisions for helping to hire a new Police Officer would get someone an additional three days off; this should not be allowed when we are making cuts to the tax rate.

Councilor Baer stated that she is in agreement with this contract because it is the first step and you cannot fight all of the battles at the same time. Councilor Lahey replied that this looks a lot like the AFSCME and SEA contracts, but the latter agreed to reduce to 45 days of accrued sick time. Councilor Baer replied that she thought the Council had agreed that they were going to make smaller steps to accomplish the goal in the end.

Councilor Lipman asked if there is anything from the non-public session that can be discussed at this time. City Manager Myers replied that the minutes have been sealed and cannot be discussed.

Councilor Lipman commented that the contract does achieve a lot and progress has been made. There is opportunity to make additional progress in the future and he is in going to vote favorably.

Councilor Hamel stated that he does agree with Councilor Lahey, but does not see a way to make changes to everything the City would like all at once. In this contract cycle, all of the unions have agreed to a change in the health insurance that has saved the City over \$1 million. Councilor Hamel also commented that there are items in all of the contracts that he does not care for, but getting to a point that everyone is satisfied takes time and this is a start.

Councilor Bolduc commented that he agrees with Councilor Hamel, Baer and Lipman. It seems like there is little progress, but he feels the health insurance concessions have been big advancements for the City.

Councilor Lahey asked if Section 15:2 is a new provision to the contract. Captain Clary replied that it was amended to reflect the other union contracts. Councilor Lahey asked if more days are given because of the amendment. Captain Clary replied that there are.

Mayor Seymour called the question. **Motion passed with 5 Councilors in favor and Councilor Lahey opposed.**

Councilor Baer expressed that the Council owes thanks to City Manager Myers because he has accomplished agreements with all of the unions within the City in his first year.

Mayor Seymour thanked the Police Commissioners and Chief Adams, as well as the union personnel, for the concessions they have made in this agreement.

Councilor Hamel commented that he is disappointed that the Laconia Police Officers Association is continuing the appeal process with a prior case involving contracts with the City. This is not a good use of City funds and should be dropped.

3. Temporary Use Agreement between the State of New Hampshire and City of Laconia for Access to the State-owned Concord to Lincoln Railroad Corridor Line

Councilor Lahey moved to approve the temporary use agreement between the State of New Hampshire and the City of Laconia for access to the State-owned Concord to Lincoln Corridor Line and to authorize the City Manager to sign the agreement. Seconded by Councilor Hamel. **Motion passed unanimously.**

4. Approval of Civil Forfeiture Warrant for Unregistered Dogs per RSA 466:14

Councilor Hamel asked if this is something new. City Clerk Reynolds replied that this is something that has been done each year but was gone about a different way at the request of administration.

Councilor Baer moved to approve the Civil Forfeiture Warrant for unregistered dogs per RSA 466:14. Seconded by Councilor Lipman. **Motion passed unanimously.**

5. Transfers for Fiscal Year 2011/2012 for Various Departments, Stabilization and reserve Accounts

Councilor Hamel moved the following transfers as presented:

- FROM: 82-401-010-0000 Non -Cap Res Accrued Leave
TO: 01-437-101-0000 Police – Salaries
Amount not to exceed \$40,000

- FROM: 01-477-314-0000 Welfare – City Relief \$46,000
TO: 01-402-225-0005 Legal - Litigation

- FROM: 01-431-343-0000 Contingency \$100,000
TO: 82-301-010-0000 Accrued Compensated Leave

- FROM: 01-431-343-0000 Contingency \$150,000
TO: 82-301-005-0000 School Cap Reserve Construction & Renovation Account

- FROM: 01-431-343-0000 Contingency \$100,000
TO 82-301-012-0000 Health Insurance Stabilization Account
- FROM: 01-431-343-0000 Contingency \$100,000
TO: 01-431-343-0001 Environmental Reserve Contingency
- FROM: 01-502-000-1000 Winter Maintenance \$75,000
FROM: 01-503-000-1000 Outside Services \$15,000
FROM: 01-599-105-0000 Overtime – Winter \$ 5,000
TO 82-301-011-0000 Winter Maintenance Stabilization Account

Seconded by Councilor Bolduc.

Councilor Baer noted that the request to transfer \$150,000 from Contingency to the School Capital Reserve Construction and Renovation Account is City money. City Manager Myers confirmed that it is.

Motion passed with 5 Councilors in favor and Councilor Baer opposed.

6. Carry Forwards from Fiscal Year 2011/2012 to Fiscal Year 2012/2013

Finance Director Woodaman explained that the list of carry forwards is being presented to the Council for their review and will be presented in a definite form in July.

Councilor Hamel asked if these are the amounts that the Council will require the department to receive authorization from the Council to expend. City Manager Myers clarified that if the department intended to use the funds for reason other than that indicated and for more than a specified amount.

Councilor Baer commented that she would like to see the amount Playground Equipment to be designated for Wyatt Park specifically.

UNFINISHED BUSINESS:

1. Budget

City Manager Myers advised the Council that the amounts in the Resolutions directly reflect changes that the Council has requested be made.

a. Second Reading of a Resolution Relative to Making Itemized Appropriations for the Sewer Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the Sewer Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Baer. **Motion passed unanimously.**

b. Second Reading of a Resolution Relative to Making Itemized Appropriations for the Water Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the Water Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman. **Motion passed unanimously.**

c. Second Reading of a Resolution to Making Itemized Appropriations for the Internal Services Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution to Making Itemized Appropriations for the Internal Services Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman.

Councilor Lipman asked if the resolution allows for all of the changes the Council has requested. Finance Director Woodman explained that she has increased the revenues by the amount that would be authorized to bond for equipment and has increased the expense to reflect the bond payments as discussed.

Motion passed unanimously.

d. Second Reading of a Resolution Relative to Making Itemized Appropriations for the General Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the General Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman.

Councilor Baer stated that she does not feel this item should be taken up at this time because she would like to proposed changes and if it is read, changes cannot be made. Mayor Seymour advised that this can be moved to the last item if the Council would like.

Councilor Bolduc rescinded his motion for a second reading. Seconded by Councilor Lipman.

e. Second Reading of a Resolution Relative to Making Itemized Appropriations for the Special Revenue fund – Motorcycle Week for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the Special Revenue fund – Motorcycle Week for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman. **Motion passed unanimously.**

f. Second Reading of a Resolution Relative to Making Itemized Appropriations for the Tax Increment Finance District – Downtown for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the Tax Increment Finance District – Downtown for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman. **Motion passed unanimously.**

g. Second Reading of a Resolution Relative to Making Itemized Appropriations for Anticipated Grants for the Fiscal Year Beginning June 1, 2012 and Terminating June 30, 2013

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for Anticipated Grants for the Fiscal Year Beginning June 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Hamel.

Councilor Baer asked if these are grants that have already been approved. City Manager Myers explained that the amount listed is an anticipated amount that is monitored throughout the year. When an adjustment is necessary the Council will be made aware and would need to vote on changes.

Motion passed unanimously.

h. Second Reading of a Resolution Relative to Making Itemized Appropriations for the General Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013

Councilor Hamel stated that he would like to review appropriations for the Huot Technical Center renovation. The Council was distributed a cost analysis for the project (see Attachment #4) that projects a shortcoming of \$813,375 for the project after significant adjustments for Value Engineering and community support have been made, which would result in the science labs being built but having no furniture or fixtures. Councilor Hamel reviewed the analysis and made the recommendation to bond \$1 million for the additional funding that is needed to complete the project the right way.

Councilor Lipman commented that the School District will be allocating \$150,000 each year to build on a reserve fund and there have been conscious efforts to save any unexpended funds that have been appropriated. This can be used, similar to the method being done with the Department of Public Works, to pay down the debt service and have a minimal impact on the tax rate. Councilor Lipman added that having attended economic development conversations it was highlighted that it is important for the economic development of the area to be able to host athletic events on a field that is accessible, which we don't have at this time because of parking constraints, and multi-use. Initially there were concerns among the Council, and this is repurposing existing funds.

Councilor Baer made the following statement:

"The headline read COUNCIL COMMITTED TO MORE BORROWING FOR PLAN A. It gives the impression that the council as a whole had approved this. As a councilor and a member of the Finance Committee, I was not asked for a comment on this or even knew that we would be asked to borrow more money for Plan A.

What is Plan A? Plan A is one of two options for a new football field to be constructed during the addition and renovation of the Huot Center. Plan B would cut a half million dollars from the costs, but "doing it right" seems to mean doing whatever costs the most.

A little background is in order. Back in 2010 the Laconia School Board applied for authorization to apply for funding in the amount of \$10 million dollars. The sole purpose of this request was for the engineering, renovation, equipment and construction of Huot Career and Technical Center. The State would contribute 80% of \$7.5 million.

On June 28, 2010, the City Council approved the application and appropriated \$2.5 million as matching funds for the project. I voted against it. The final bill passed by the State Legislature was \$7.125 million which left the City with a \$2.375 million dollar match and a total budget of \$9.5 million. So, all was in place for the School Board's plans for renovations and addition to the Huot Center.

WAIT. Along comes the availability of a \$6 million dollar loan with no interest. This would mean some much needed infrastructure and upgrades to the High School building could be made, i.e. new boilers, repair of several leaking roofs, and the need for updated science labs was brought up, and a new football field which would also open up parking facilities as alternates in the budget. This was discussed with Finance Committee on July 8, 2011. The final approval came in November, 2011. I did vote for this as we were committed already and it would mean greatly needed improvements to the infrastructure of high school which would remove the necessity of a new high school. This was intended that whatever

could be accomplished within the budget would be done. Items not fitting into the budget would not be done.

Remember, all monies available to the School Board are TAX monies, yours and mine. Property taxes, State, and Federal grants, whatever.

As the engineering and plans progressed, it became most evident that the football field was a top priority. Fine. But, as usual, there is never too much for Sport fields and when Councilor Hamel says "let's do it right" he means let's spend the most and get the cream of the crop. This is the same argument used with the fields when the Middle School was built and after all that money was spent, a year later we found them a disaster and had to invest more money to save them. So, now, there is a shortage and the need for more money than budgeted must come from the City to complete the increased items. Is there no end?

I will vote no on this matter as well as on a budget that comes in with a projected figure of a \$.15 tax increase. I will also propose a cut that will reduce this to \$.10. It will be a lost cause I fear."

Councilor Baer also noted that when reviewing the transfers, it was asked if \$150,000 was City money being transferred to the School and he confirmed it was. It was further noted that the School should be giving as much as the City when cuts are being made to lower the increase in the tax rate.

Councilor Baer moved to reduce the bottom line on the School side of the budget by \$100,000 which would bring the proposed tax increase to \$.10 rather than \$.15. Seconded by Councilor Hamel for discussion.

Councilor Bolduc asked the School District members in attendance to identify where \$100,000 would be taken from. Councilor Baer countered that they don't need to make an account to the Council. Mayor Seymour replied that it is beneficial to know the impact that a cut like this would have. Councilor Baer commented that they had money left over to return from their budget this year so they should be ok.

Councilor Lahey commented that his fellow Councilors made accurate statements; this is not School versus City, as Councilor Hamel stated, and the location of the Laconia High School is important, as Councilor Lipman stated. The decision was made to keep the Laconia High School in the current location and moving forward the best situation is to use the most acreage of the property as possible. Currently, a large amount of the acreage is on a hill above the football field and is completely inaccessible. With this project, we are not only building a football field but are building for the future; one area of great need is parking and this plan will give an additional 140 parking spaces and a large area of land next to the parking lot that will allow for additional development in the future.

Councilor Bolduc included that when the field design was happening, it was discovered that there is a 16 inch water main where the field sits and that made it necessary to look at other options. By moving the field back, it avoids the water main and allows for Bobotas Field to be fixed. The interest rate on the bond is too good to pass up right now and it will have a lesser impact on the tax rate now than if we did it later. Mistakes have been made in the past, like the sale of the current AutoZone property, which we need to learn from.

Councilor Hamel advised that there will be no increase in the tax rate by bonding in this budget. Councilor Hamel also agreed that when the project began it was for a much lower amount, but when you can get \$6 million with no interest it is wise not to turn it down.

Councilor Baer replied that she does not have an argument against the Huot Center being built; when the bids went out for the project there were alternates put in place so that if there was enough money they would be done, with the boiler and roof being the top priorities. Now, because the remainders of

the alternates are wanted there is more spending being done. Councilor Baer also noted that a football field is not a need, it's a want. Councilor Hamel replied that the accessibility to sports is important for adolescents and teaches them valued lessons and is equally important as academics. With the commitment to stay at the location, it is important to get this project done now.

Councilor Hamel further noted that the only major project left for the City is a new Central Fire Station; all of the other buildings have been done and are being maintained adequately. This will have a positive result on the debt service in the next several years and may have an impact on the tax rate in a way that is favorable to the tax payer.

Councilor Doyle commented that the additional cost has taken her by surprise, but in thinking at the entire scope of the project it makes sense to get everything done in an adequate manner that will make a long term, lasting impact on the structure. Although it was not in the initial plan, Councilor Doyle stated she is in support of the project.

Councilor Lipman stated that Councilor Bolduc made a great comment regarding the water main. If there is a new field built on top of the water main and there is damage done, it will put a \$2 million investment at risk and it makes more sense to safeguard from that risk initially. Additionally, there are 17 acres available and only seven are being used which is not optimal. The current plan is in the long-term best interest of the City.

Councilor Lipman requested comment from the School Board. Supt Champlin expressed that the School Board has not discussed the impact because they have not been given prior notice that this request would be made. The School Board has put out prior contracts to personnel for the upcoming year and this area cannot be affected; the area of Special Education would most likely be impacted.

Councilor Lipman asked for a briefing of the concessions the School Board has made to the budget to lower the budget. Supt Champlin replied that the School Board has removed \$250,000 in project cost from Professional Services, payment over time for engineering cost, and \$150,000 being allocated for the project. The School Board has made it a priority to get the project completed. The School Board has also made significant improvements at the High School internally by utilizing maintenance staff and student projects to make the improvements. In addition, there is a Capital Campaign to raise \$1 million toward the athletic field from community funds and with a turf field there will be savings each year for the maintenance of the field.

Councilor Lipman asked if there was any collaboration with Parks & Recreation in regards to the field at Opechee Park abutting the Laconia Middle School. Supt Champlin replied that they are working with fertilization and an irrigation system because the fields are used by the School.

Mayor Seymour stated that although he does not vote, he strongly encourages the Council not to support a reduction in the School budget. Looking at other communities, the City has been able to make a much smaller increase to the tax rate and is still maintaining the projects that need to be completed. In addition, Supt Champlin and the School Board has been looking for private donors for the football field and this would send a poor message to the community and may have a negative impact on the project moving forward.

Mayor Seymour called the question. **Motion failed with Councilor Baer in favor and 5 opposed.**

In regards to the \$1 million bonding to cover the additional cost, City Manager Myers demonstrated that when looking at the debt schedule, there is not impact until 2013/2014. If the School District were to

continue to make a contribution of \$150,000 each year, the impact each year will be minimal at only \$37,541 in the first year as opposed to \$187,541. At this point, the question is to ensure the School Board is comfortable with committing the funding each year moving forward. Supt Champlin advised the Council that there is support from the full School Board.

Councilor Lipman commented that if the Council would like, there is the option to postpone the adoption of the General Fund. Councilor Bolduc replied that he supports the adoption tonight, as did Councilor Hamel.

Councilor Bolduc moved a Second Reading of a Resolution Relative to Making Itemized Appropriations for the General Fund for the Fiscal Year Beginning July 1, 2012 and Terminating June 30, 2013. Seconded by Councilor Lipman. **Motion passed with 5 in favor and Councilor Baer opposed.**

City Manager Myers advised the Council that although the Council targeted an increase not to exceed \$.15, the actual rate will be affected by the assessment and will be determined by the Department of Revenue Administration. Councilor Lipman also noted that the assessed value could increase and the tax rate could go up or down. City Manager Myers confirmed that it is a possibility.

Councilor Hamel asked what percentage of increase was used in comparison to the allowable amount under the Tax Cap. City Manager Myers replied that he will calculate the amount and send the information to the Council. At his last calculation the School was under 30% but the City needs to be revisited. Councilor Lipman noted that the allowable amount was 3.2% and the actual increase amount was less than 1%.

City Manager Myers thanked Finance Director Woodaman and the School Board for all of the hard work they did to get this budget done.

Mayor Seymour thanked City Manager Myer for his efforts as well.

Councilor Baer commented that there is never any question that you don't get an answer to when you ask a City employee you get an answer almost instantly.

2. Council membership on the CIP Committee
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/Solid Waste Disposal Cost Reduction
9. Strategic Planning/Goal Setting

COUNCIL COMMENTS: NONE

NON - PUBLIC SESSION: NONE

ADJOURNMENT:

Councilor Hamel moved to adjourn at 9:07 p.m. Seconded by Councilor Bolduc. **Motion passed unanimously.**

A True Record Attest

Mary A. Reynolds
City Clerk