



**LACONIA CITY COUNCIL MEETING  
AUGUST 23, 2010  
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 Mary Cote called the roll with the following Councilors present: Councilor Doyle, Lahey, Lipman, Baer, Hamel and Bolduc. Also present City Manager Eileen Cabanel and Finance Director Pam Reynolds.

**ADOPTION OF MINUTES OF PREVIOUS MEETINGS:**

- **Regular minutes of August 9, 2010**

Councilor Bolduc moved to accept the regular meeting minutes of August 9, 2010. Seconded by Councilor Hamel. **Motion passed unanimously.**

**CONSENT AND ACTION CALENDAR:**

1. **Good Earth – request to fundraise at Opechee Park on September 12, 2010**

This is the same request approved by the Council in 2009. The only change is the date.

Councilor Lipman moved approve the request by Good Earth to fundraise at Opechee Park as requested. Seconded by Councilor Hamel. **Motion passed unanimously.**

**CITIZEN COMMENTS FOR MATTERS NOT ON THE AGENDA:**

Councilor Lahey notified the audience of a public meeting being held on August 24 beginning at 6:00 p.m. to discuss the Lakes Region Facility and the proposed uses of the property.

**INTERVIEWS: NONE**

**COMMUNICATIONS: NONE**

## **PRESENTATIONS:**

- **Memorial Park Storage Facility**

Mayor Seymour recognized and thanked the following individuals for their efforts with the construction of the new Memorial Park Storage Facility:

Alan Blakely, George Hawkins, Jr., Armand Bolduc, Sean Cochrane, Kevin Dunleavy, Jim Findlay III, Andre Godbout, Ben Godbout, Peter Godbout, John Granger, Bob Hamel, Dan Reynolds, Doug Saunders, Kenny Smith, Peter Spollett, and Peter Stewart.

Councilor Hamel thanked George Hawkins and Alan Blakely for spearheading this long overdue project.

Councilor Bolduc echoed Councilor Hamel's thanks.

- **Belknap County Commissioners**

Commissioner Ed Philpot addressed the Council. Commissioner Philpot reviewed three topics the Belknap County Commission has been discussing with the other Towns within the County.

The Commission was approached by a group of brokers who sell nursing homes and housing all over the United States; they noted that the Belknap County Nursing Home costs the County approximately \$11 million each year, and is currently losing approximately \$3.5 million a year. This group felt they could purchase the Nursing Home and correct the deficit. The County had no further discussion with this group, but has discussed it internally to the extent of making the decision to get thoughts from the communities they represent.

The Belknap County Nursing Home is currently one of the most expensive nursing homes on the State at a rate of \$305.00 per day per bed; previously it was the most expensive at \$331.00 per day per bed. The Nursing Home is also one of the best, if not the best in the State. It is well run, well administered, clean, and efficient and a great place to be. The Commission has worked with the Administration at the Nursing Home, including Diane Roberts and Norm O'Neil who are in attendance this evening, to find efficiencies that can be built into the Nursing Home without effecting patient and nursing care, and making some changes in the services they provide. Even with the best management, it is not possible to cure a \$3.5 million deficit in a budget.

Commissioner Philpot noted the large problem associated with Medicaid funding. The State receives the payment from the Federal Government and decides what portion the State is going to take out of that payment, with the balance coming to the County. Medicaid payments have been decreasing, with the same operational and patient care requirements.

The next topic centers on the concept of Community Corrections. The Commission is looking at some programmatic changes to people who become involved in the Corrections system. For example, every community has people who are repeatedly having contact with the Corrections system because they are engaging in activities that they are not competent enough to understand that what they are doing is considered criminal. These people have severe mental health problems and do not belong in a jail. The process for dealing with these people is to arrest the person, they are found to be incompetent, and

they are sent to another facility, such as New Hampshire State Hospital, where they are treated and released into the community to continue their treatment.

The State has closed a major wing in the State Hospital, with the anticipation to open another facility to treat these people. Due to budget constraints, that is not going to happen. This has caused the County to take on the burden, which includes transporting the person every 48 hours to be reevaluated. These people require intense supervision, frequent transportation, and specialized medical care which has become very expensive for the County to support.

Commissioner Philpot stated that 45% of the population in the State of NH prison system is there because of drug or alcohol related problems; when you add mental health issues, the number goes over 55%. The Commission is looking at a program that would be very similar to a program being used in Strafford County. Services would be brought into the County to assist with drug, alcohol, and mental health issues, rather than sending people out of the facility for treatment. This would include a community based system where someone would be ensuring each person is taking their medication, they are attending their treatments, and they are not coming into contact with local Police Departments. By involving the community to bring the person and the services together, you can avoid the extensive cost associated with incarceration of these individuals.

Another piece of this equation relates to a County wide Juvenile Prosecutor. The idea is to have communities invest the resources that are expended on Juvenile Prosecutors and juvenile cases on other programs to get involvement from children in the community. In cases where there needed to be a juvenile prosecution, there would be a division of the County Attorney's office to handle it. This would also work with the Juvenile Diversion Program and assist with putting children directly in touch with services that could result in them not being prosecuted and suffering those consequences.

The final topic of discussion is the idea of regional police dispatch. Commissioner Philpot recalled last year's conversations with regard to Lakes Regional Mutual Fire Aid (LRMFA) and how it is funded. There is a statute that says LRMFA budget is set by a Board, with each community being represented by the Fire Chief, who is responsible for bringing the LRMFA budget to the local Budget Committee or Council for approval. The County Commission and the Delegation have no input on the LRMFA budget; they simply process the bill and send it to the communities. The discussion last year was to clarify if the County should continue to process the bill or let the communities vote individually on their portion of the budget. The mechanism used by LRMFA is not the type being discussed with regional police dispatch.

The Commission is currently examining how each community is charged for the current system of regional police dispatch; some, such as Laconia and Gilford, don't use any services, while others use a small amount, and some communities use it full time. The Commission has been asked to continue looking into the process and they are doing so.

There are a few lingering issues the Commission is working on, some brought to the attention by other communities the Commission has already conversed with. These include a County wide shooting range for Police Departments, as well as the possibilities of County wide benefits programs including health insurance.

Commissioner Philpot continued by explaining the beginning of the budget process for the County. The Commission has decided to use a standard questionnaire for outside agencies requesting funding. This questionnaire will include very direct questions in regard to funding coming from individual communities. This year the County is trying to bring a feasible budget, as they have done in years past.

City Manager Cabanel commented on the Belknap County Nursing Home. If an outside company can come in and say they can run the facility and make a profit, this implies that there are drastic inefficiencies currently. Commissioner Philpot did not disagree, but noted that outside agencies make drastic changes. For example, they spread administration around, eliminate unions, have their own supplies and pharmaceutical distribution, in house food service companies, and other internal efficiencies they would bring into these programs. The resounding theme in every community in Belknap County is that Belknap County Nursing Home is a great facility, run by great people, and they don't want to "mess it up". This group did not come to the County and say they could run the Nursing Home at a profit; they want the opportunity to represent the County in selling the Nursing Home to somebody who will make a profit. The Commission does not have any details as to how this would be done, and does not want to take the time and energy to pursue the concept if this is not something that the communities want to do.

Councilor Lipman noted that there is a value of the Belknap County Nursing Home that is appealing to this agency. They would change the mix of people being served by the Nursing Home, and this could be detrimental to the people currently being served. Money cannot be made on Medicaid alone. Councilor Lipman recommended taking a look at the mix of services currently being offered, and see if there are some things that can be done outside of Medicaid that could affect the \$3.5 million deficit. Commissioner Philpot noted that some of the administrative portion is being taken away from the Nursing Home and being done by the County directly, which will allow the Nursing Home to focus on the nursing aspect.

Councilor Baer commented that it is quite obvious that if the Nursing Home is sold and becomes a private entity, one of the first items to discontinue would be the State Retirement System, which would save a large amount of money. Councilor Baer also commented that the Commissioner noted that LRMFA presents a budget to them and they have no say on the outcome, but in the same sense, the County does the same thing to the communities it serves. Commissioner Philpot denied that statement, because they have a very extensive process at the County level with public meetings and constituents from the communities are encouraged to attend them. In conclusion, Councilor Baer noted that the questionnaire the County is now using for the Special Items has been used by the City for quite some time. Commissioner Philpot noted that the Commission is aware of that, and will be using a questionnaire this year.

Councilor Hamel verified that the Medicaid funds come from the Federal Government, and are cut before they are sent to the State, and again before they come to the County. Commissioner Philpot confirmed. Councilor Hamel further clarified that the State is taking money out of the Medicaid disbursement to balance the State budget, not necessarily to Medicaid related expenses. Commissioner Philpot confirmed. Councilor Hamel asked who sets the amount of money that the State will be keeping. Commissioner Philpot replied that the decision is made by the State.

Councilor Hamel referred to the conversations with the Town of Gilford with relation to duplicate services, such as the dispatch services. The dispatch services are being supported locally through tax payer contributions, and the communities are paying into a dispatch service they are not using and in essence paying for other communities to use it. The communities that do provide the services locally should be receiving a break on the services they are not using. Commissioner Philpot assured Councilor Hamel that the Commission is looking at dispatch services and how it is allotted, but they will not be providing a-la-carte services and allowing communities to pick and choose and billing accordingly, and the Commission is looking at what services make more sense regionally rather than locally.

Councilor Hamel asked for clarification on how School Administrative Units (SAU) are formed. It was explained that originally the State set up the SAU's and the authority to run them was given to the local communities. If a community would like to change the structure of an SAU, it does need approval from the State. Councilor Hamel made the recommendation to consider County wide SAU's, on the notion that it would save all of the communities involved with salaries and benefits. The idea would be to have the School Boards stay local for administration purposes, have the County run the SAU, and eliminate administration and buildings that carry costs. Commissioner Philpot explained that the Commission cannot go to the communities and tell them to give up their SAU's, but if the communities were to come to the County and request a change like this, the County is receptive. It would also be beneficial to consider consolidating other community assets, such as equipment, ladder trucks, and street sweepers that are not used on a daily basis.

Councilor Hamel asked the Commissioner if Gunstock Ski Area is now self funding. Commissioner Philpot explained that in the 1960's the County Commission decided they did not want to run a ski area, and went to the Legislature and set up a Gunstock Ski Area Commission; the County owns the property and still has authority of what happens to the property, but the Gunstock Commission runs the recreation area. Currently, the County receives \$150,000 each year from the Gunstock Commission by agreement. Approximately 10 years ago, Belknap County purchased a \$6 million bond on behalf of Gunstock, with no agreement stating the money would be paid back to Belknap County; however Gunstock does pay a percentage of its profits to Belknap County, which has been close to \$165,000. It has been profitable for several years, and the County does not pay money into the facility. Councilor Hamel asked where the money paid by Gunstock goes, and Commissioner Philpot noted it is used to balance the County budget.

Councilor Lipman addressed the issue of economic development. On behalf of the Council, Councilor Lipman noted the importance of the Belknap County Economic Development Council, and the necessity to continue the support at the County level. With respect to mental health, Councilor Lipman expressed the necessity to have the communities work together to address the issue, because at the end of the day the people are within our communities, regardless if they are in the corrections system or just trying to sustain in everyday life.

In regard to the Belknap County Nursing Home, Councilor Lipman noted that the mix of what we do should be looked at in a community benefit aspect; if one of our family members would need to go into a Nursing Home, they want it to be a good place. Commissioner Philpot noted that within the last two years, the facility has expanded the services they provide by becoming a Medicaid-A Skilled Nursing Facility, and currently assist 13 patients. This is a form of Medicaid care that does bring in a profit.

Councilor Lipman asked how the County looks at the reimbursement for patients, and utilizing any resources that may be available that have specific expertise in this area. Commissioner Philpot noted that the County uses every resource available to them and the receivables due is not large.

Councilor Lipman referred to the structure of services and the need to change them to accommodate the changes to the economic environment. Designing things on the regional level will require a higher level of competence to ensure they are being done correctly, with input from the communities being taken into consideration. Commissioner Philpot agreed that any concept or idea should be able to withstand scrutiny, and by having these conversations with the communities, it helps the County determine if they are doing their job well.

Councilor Lipman noted that economic development is different than human development, and cautioned the Commission on the format. The issue is that there is no vehicle in the County that does what the Belknap County Economic Development Council does, and without them, some processes would not happen. Councilor Lipman encouraged the Commission to use time more strategically, because economic development is so critical in this area. Commissioner Philpot stated his understanding, but the Commission was dealing with a large sum of money requested by this agency that they could not justify within their budget. The community makes demands, and the Commission will be scrutinizing where funds are going for every agency that asks. Councilor Lipman noted that the value County government has is to be the central base for certain practices that are more practically handled regionally, and economic development within the County is important. Commissioner Philpot countered that the budget is reviewed very closely, not only by the Commission but by the local Delegation.

Councilor Hamel asked if the “cap” is still in place from the original legislation for the funding of the Belknap County Nursing Home. Commissioner Philpot confirmed this, stating it has been extended to 2012. Councilor Hamel asked if it is working, or is the deficit a result of. Commissioner Philpot explained that the County spends up to the limit, and the State will pick up from there. Councilor Hamel inquired as to why there is a deficit if that is the case. Commissioner Philpot replied that there are many reasons, and the Nursing Home has not been a profit maker for some time.

Representative Alida Millham addressed the Council. As the Chair of the Belknap County Delegation, she has travelled to the communities within the County with the Commission. Representative Millham expressed that the County Delegation represents the communities they are elected from, they are required by law to approve the budget of the County, and they are also required to approve any lease or sale of County assets. Everyone is aware that the next two years are going to be extremely difficult on all levels of local government, but some items, such as Medicaid, are not simple to explain.

**MAYOR’S REPORT:**

Mayor Seymour has been having discussions with local business owners in all areas of the City in regard to their desire to have a stronger communication with the City on a regular basis. This is not an indication that there are any current problems. A tentative meeting has been set for September 15, 2010 at 6:00 p.m. at the Belknap Mill. This initial meeting will act as a forum to discuss how growth can be established collectively in all areas of the City. Mayor Seymour encouraged any Councilors who would like to attend to do so.

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

**PUBLIC HEARING:**           **NONE**

**COMMITTEE REPORTS:**

1. **FINANCE:**   **(Lipman, Hamel, Baer)** (No report on any item in committee)
  - a) WOW Trail Fund
  - b) Special Item Budget Requests Procedural Review
  
2. **PUBLIC SAFETY:**   **( Baer, Doyle, Lahey)** (No report on any item in committee)
  - a) Fair St./Court St. traffic problems and accidents

3. **GOVERNMENT OPERATIONS & ORDINANCES:** (Doyle, Bolduc, Lahey) (No report on any item in committee)
  - a) Energy Committee
  - b) Amendment to Zoning ordinance re Drug Treatment Facilities
  - c) Proposed Amendments to City Charter
  
4. **PUBLIC WORKS:** (Bolduc, Baer, Lahey) (No report on any item in committee)
  - a) Ordinance Amending Chapter 221, Vehicles and Traffic/Parking on Sublawns
  - b) Oak & North Main St. Intersection
  - c) No parking on Highland St. between Crescent and Gilford Ave.
  
5. **LAND & BUILDINGS:** (Hamel, Lipman, Bolduc) (No report on any item in committee)
  - a) Repair & maintenance of City Buildings

Councilor Bolduc moved to removed item c from the Public Works agenda. Seconded by Councilor Baer. **Motion passed unanimously.**

Councilor Hamel moved to remove item c from the Government Operations & Ordinances agenda. Seconded by Councilor Lipman. **Motion passed unanimously.**

**LIAISON REPORTS:**      **NONE**

**MANAGER'S REPORT:**

City Manager Cabanel advised the Council that the old storage building at Memorial Park had been demolished earlier last week.

Abatements will be done by September 3 on the properties at 858 North Main Street and 12 Tremont Street, with demolition being completed in mid-September. The property at 23 Manchester Street does contain asbestos in the roofing material. Currently we are awaiting a quote on the abatement, with hope of having the demolition completed by late September.

The sale of the pieces of the Perley Oak is scheduled to take place on Friday at the Public Works garage.

At the request of the Council, City Manager Cabanel has looked into the various options for a new Opechee Park Clubhouse, including having the Building Trades students complete it or building a modular structure. The Building Trades is interested, and the cost of a modular would be approximately \$75/square foot. George Hawkins is also going to get the City an estimate on the cost of materials to build a new building.

City Manager Cabanel updated the Council on progress with the Colonial Theatre. With the help of Laconia Savings Bank, a professional has been hired to review the architectural proposals. This individual will be meeting with the City Manager on August 24, followed by a meeting with the informal group. The basic plan is to approach this with an architect who will then subcontract out services for other vital services, such as the Business Plan and Fundraising.

City Manager Cabanel reported that the Revaluation is almost completed. There are some drastic changes to some properties, with an estimated 10% decrease in residential properties generally. When the information comes in from the contractor, Vision Appraisal, the Assessor will review the information

carefully to ensure he is in agreement with the information. After the review is completed, they will be coming to a meeting of with the Council to get an explanation of the process and the outcome. It is hoped to have this prepared for the next meeting.

**NEW BUSINESS:**

**1. Multicultural Day requests:**

**a. Use of City Hall parking lot between Belknap Mill and City Hall**

Councilor Lahey moved to allow the use of the City Hall parking lot between the Belknap Mill and City Hall for Multicultural Market Day on September 11, 2010. Seconded by Councilor Lipman. **Motion passed unanimously.**

**b. Waiver of all licensing fees**

Councilor Lahey moved to waive all licensing fees for Multicultural Market Day on September 11, 2010. Seconded by Councilor Lipman. **Motion passed unanimously.**

**c. Use of electricity**

Councilor Lipman moved to allow the use of electricity from polls located on the sidewalk in front of the Soda Shoppe for Multicultural Market Day on September 11, 2010. Seconded by Councilor Lahey. **Motion passed unanimously.**

**d. Temporary Traffic Order 2010-08**

Councilor Lipman moved the approve Temporary Traffic Order 2010-08. Seconded by Councilor Hamel. **Motion passed unanimously.**

**2. Encumbered balances from FY 2009-2010**

Finance Director Pam Reynolds advised the Council that the encumbered balances presented to carry forward are for existing projects from this and prior fiscal years.

Councilor Baer expressed some concerns with the amounts being added to the budget for FY 2010-2011, and requested to have a Finance Committee meeting to discuss them. Finance Director Reynolds advised the Council that these transfers are time sensitive, and the decision needs to be made in reference to them, but the she would be willing to answer any questions Councilor Baer may have.

City Manager Cabanel reviewed the proposed encumbered balance transfers, assuring the Council that these funds are not being transferred for the sake of holding onto the funds, but in many instances the Council will a lot portions of the funds needed to complete larger projects throughout a few fiscal cycles and carry the funds forward until the necessary funds have been approved.

Councilor Lipman moved to approve the following transfers:

**Parks**

**\$3,000** From 01-480-235-0000 (2010) for Community Center maintenance. This money was appropriated for the refinishing of the gym floor. Due to scheduling conflicts and a change in staff in the department this maintenance item did not get completed in FY 10.

**\$25,000** From 01-497-479-0017 (2010) Playground Equipment  
**\$25,000** From 01-499-479-0003 (2009) Playground Equipment  
**\$10,892** From 01-499-479-0001 (2008) Playground Equipment  
**\$60,892** This money was appropriated over a 3 year period. It will be used to outfit the Weirs Community Park in the future. This park is currently in the design phase.

**\$ 9,042** From 01-497-479-0024 (2010) Memorial Park Storage Building  
Money was transferred to this project during the fiscal year. The building was 75% complete as of June 30<sup>th</sup>. This money will allow us to finish the building and put an apron in front of it.

**\$44,443** From 01-499-479-0004 (2009) Weirs Community Park Design  
This money will be used for the ongoing design of the Park.

**\$1,106** From 01-479-235-0002 (2010) Maintenance Grounds  
This money remains in the operating account and will be used along with new funds appropriated in FY11, to improve the conditions of the fields in the City.

**\$3,996** From 01-479-235-0001 (2010) Maintenance Park Houses  
This money remains in the operating account and will be used for some of the much needed repairs to several of the park houses.

**Administration**

**\$ 5,643** From 01-489-480-0029 (2010) Downtown Economic Development  
**\$10,000** From 01-499-489-0001 (2009) Downtown Economic Development  
**\$15,643** This money will be used to improve the downtown area including replacing several trees.

**\$5,000** From 01-489-480-0031 (2010) Milfoil Treatment  
This money was appropriated to fulfill our commitment to DES to help eliminate milfoil in the surrounding lakes. This was our second year of a five year commitment. This money will be held until such time as the State requests payment.

**\$50,000** From 01-401-304-0000 (2010) Theater director  
Money was transferred to this line during FY10 to hire a director to oversee the Colonial Theatre initiative. This individual will be hired in FY 11.

**\$35,846** From 01-497-401-0002 Demolition of Buildings-Fire Station (2010) Money was transferred to this account during FY10. These demolitions projects are underway. Work will be completed in FY11.

**\$19,750** From 01-497-401-0006 Purchase & Demolition of 23 Manchester Street (2010) Money was transferred to this line in FY10. The purchase was completed the first part of July and we are now evaluating any asbestos issues. Demolition will take place after completion of necessary abatement.

**Planning**

**\$28,617**

From 01-499-405-0004 Outside Contractors (2009)

**\$29,335**

From 01-405-304-0000 Outside Contractors (2010)

**\$15,449**

From 01-499-700-0084 Outside Contractors (2006)

**\$73,401**

This money will be used, along with the money in this year's operating budget, to assist planning with a several projects including the ongoing work on the Impact Fee Ordinance; the Steep Slope Ordinance; hiring for architectural services to draft ordinance for the three centers in the city as well as hiring a fire protection engineer to review plans.

**Conservation**

**\$1,265**

From 01-422 Operating Budget Conservation Commission (2010)

This money will be used for ongoing water sampling.

**\$2,493**

From 01-499-422-0002 Conservation Commission (2009)

This money will be used for a water testing program which will provide vital data to assess water quality issues.

**Public Works/Solid Waste**

**\$183,772**

From 01-497-500-0013 Street Repairs (2010)

This money will be used along with the FY11 appropriation to do Water, Highland and Jackson Streets as well as several resurfacing of roads in the City.

**\$16,526**

From 01-497-500-0035 Guard Rails and Railings (2010)

This money will be used in our ongoing effort to improve guard rails, railings and fencing throughout the City.

**\$26,608**

From 01-497-500-0042 Comprehensive Drainage Study (2010). The overall cost of the study will be about \$150,000. In FY10, we funded the first phase of this project. It was not funded in FY11. Many areas of the City's storm water drainage infrastructure are undersized and in varying stages of deterioration. Currently we are working with a professional engineer to study problem areas in the City and our public work crews are repairing these troubled areas as we go with money from the operating budget.

**\$50,000**

From 01-499-493-0002 Solid Waste-Capital Costs (2010)

This money was brought forward from FY09 budget from the Solid Waster operating budget to fund various expenses including additional bins and marketing for a single stream initiative. We would like to carry this forward into FY11 for future use on this important project.

**\$22,294**

From 01-499-500-0002 Landfill Cap/Liner Replacement (2009)

This money was originally appropriated for this purpose and a significant amount of work has been completed. However, we are currently working with DES to approve additional repairs. These repairs will be completed by Public Works employees and only materials will be charged to this account.

**\$15,866**

From 01-499-500-0003 Main Street Bridge Design (2009)

This project is currently under study and should move to the design phase as funds become available.

- \$49,144** From 01-499-500-0007 Sidewalks (2009)  
This is an ongoing project to repair, reconstruct existing sidewalks and construct new sidewalks in the City.
- \$186,694** From 01-497-500-0041 (2010) Traffic Lights-Oak and North Main Street.  
This project currently is in the design phase. It should be completed by the end of FY11.

### **Sanitary Sewer**

- \$55,000** From 90-497-497-0027 Gravity Sewer Mains (2010)  
**\$39,389** From 90-499-700-0027 Gravity Sewer Mains (2008)  
**\$55,000** From 90-499-700-0028 Gravity Sewer Mains (2009)  
**\$149,389** This money will be used in our ongoing effort to upgrade existing sewers thru the use of both in house resources and outside contractors.
- \$30,000** From 90-497-497-0028 Sanitary Sewer Study (2010)  
This project is a priority in FY11 as requirements are set by the EPA for the measurement of inflow and infiltration of groundwater into the sewer.
- \$13,322** From 90-499-700-0020 Edgewater Pump Station (2007)  
This project is nearing completion with some engineering to be done for State compliance.
- \$39,513** From 90-499-700-0029 Lawrence Court/Old N Main (2009)  
This project is near completion. Some electrical issues need to be completed at Old North Main as well as a review of the safety requirements. This money will be used to for both purposes.
- \$23,707** From 90-499-700-0019 Shore Drive Pump Station upgrade (2007)  
The initial scope of the project is complete. However, recently we have discovered one of the existing impellers is severely worn and not far from failure. The other two impellers will need to be replaced soon as well as two remaining pumps. These funds will completely correct all current deficiencies.

Seconded by Councilor Hamel. **Motion passed unanimously.**

### **3. WOW Trail Agreements**

In attendance to assist with any questions the Council may have are Attorney Patrick Wood, President of the WOW Trail Diane Hanley, and Treasurer of the WOW Trail Sally Holder.

City Manager Cabanel briefly explained the "Memorandum of Understanding between the City of Laconia and WOW Trail" (Memorandum) and the "Agreement, WOW Trail Maintenance Advisory Committee" (Agreement) to the Council.

The purpose of the Memorandum is to formally restrict the use of funds being held by the City of behalf of the WOW Trail, which are currently held by the Trustees of the Trust Fund, and to allow donations to be made into the fund on behalf of the WOW Trail for future construction.

The Agreement is also designed to restrict the use of a fund being established to hold donations being made for future maintenance needs of the WOW Trail. The Agreement also defines an advisory committee to be established, consisting of two members of the WOW Trail and two members of the City, to make recommendations as to how the funds will be spent. This fund would be very similar in concept to the Putnam Fund currently in place.

Councilor Bolduc clarified that the Memorandum is designed to allow for City departments performing maintenance on the WOW Trail to submit invoices for the maintenance to be reimbursed. Attorney Wood explained that the Memorandum relates to fund currently being held by the City as matching funds in the event a bond is needed for future construction of the WOW Trail. This is a security for the City, as they are responsible for the matching funds once the commitment has been made. This document has nothing to do with the maintenance of the WOW Trail. Councilor Bolduc asked if any City funds are being placed with these funds. Attorney Wood explained that the funds are primarily from donations, with some allotment from the City each year as requested as a Special Item which is approved by the Council during the Budget Process.

Councilor Baer asked why funds are being placed in the WOW Trail accounts if the City owns the WOW Trail. City Manager Cabanel explained that the City really doesn't have funds to support the WOW Trail, the funds are all donations raised by the WOW Trail.

Councilor Bolduc noted that the City has put money into the fund, and City Manager Cabanel explained that donations were approved by the Council, therefore it is no longer considered the City's funds. These funds are being held by the City solely for the purpose of ensuring matching funds are available when a bond is needed.

Sally Holder explained that in order for WOW Trail to receive grant funding for the construction projects of the WOW Trail, the City applied for the grants on behalf of the WOW Trail. In addition to the funds received through the Transportation Enhancement Act, the WOW Trail has been fundraising and making additional deposits to the fund. This fund has been used to cover legal costs incurred to get the WOW Trail in place, additional studies needed prior to construction, and other fees associated with the WOW Trail. The WOW Trail works very closely with the Finance Department to ensure the fund is being charged accurately, and provided approval for all of the invoices received.

Ms. Holder further explained that WOW Trail is recognized by the Internal Revenue Service as a non-profit organization, which is required to prove that they are receiving and expending all funds through their accounts in accordance with their Mission Statement to provide and maintain a Rails and Trail system within the City of Laconia. In order to satisfy this requirement to the Internal Revenue Service, the WOW Trail needs to have the Memorandum signed, stating that the funds the WOW Trail has raised and deposited into City accounts are going to be used solely for the WOW Trail. If they are appropriated and used for any other purpose, the non-profit trust would be violated and lose all of their funding.

Councilor Hamel asked if there was any designation on how the interest and principle can be expended from the fund per the Agreement. Attorney Wood explained that it is at the discretion of the Trustees to determine if the expense is appropriate.

Councilor Hamel referred to item four of the agreement, which relates to compensation of Committee Members. It is not listed as to what “reasonable expenses” would consist of, as it is not outlined in the Agreement. Attorney Wood stated that it is anticipated that this would be related to any expense relating to the WOW Trail, such a meeting facility rental, which would require reimbursement to a Committee Member.

Councilor Bolduc expressed his concern with the item two, which states that if the Committee would be dissolved the Parks and Recreation Department of the City would be responsible for the assets and recordings of the WOW Trail. City Manager Cabanel explained that this was previously understood by the Council.

Councilor Lipman noted that this is a public park, with a type of easement granted by the State of NH, which has improved the City park system.

**At 9:59 p.m. Councilor Hamel moved to continue this meeting until 10:30 p.m. Seconded by Councilor Lahey. Motion passed unanimously.**

Councilor Lipman continued that the City has signed an agreement, which has allowed the WOW Trail to bring in a half million dollar investment to the City. The City has been asked to make some contributions, and people are enjoying the WOW Trail and continue to try and raise funds. Councilor Bolduc asked Councilor Lipman to justify how the City employees are being used to maintain the WOW Trail when other City projects are being put to the side. Councilor Lipman asked for a solution to get past Councilor Bolduc's grievances with this proposal.

Councilor Bolduc made an objection to having the WOW Trail on the railroad system because the City does not own the railroad system, and to having the WOW Trail interfere with people’s homes.

Councilor Lahey moved to accept the “Memorandum of Understanding between the City of Laconia and WOW Trail”. Seconded by Councilor Hamel. **Motion passed unanimously.**

Councilor Lahey moved to accept the “Agreement, WOW Trail Maintenance Advisory Committee”. Seconded by Councilor Hamel. **Motion passed unanimously.**

Diane Hanley expressed the importance of the WOW Trail to the community. Ms. Hanley also reviewed the work already done by the Parks and Recreation Department to prepare the Adopt-a-Spots and prepare for a mural to be displayed, and the appreciation of the WOW Trail for that contribution. Volunteers love the WOW Trail and they are happy to help.

#### **4. Winnepesaukee River Basin Project/Proposed Legislation**

City Manager Cabanel attended a meeting on August 11, 2010 consisting of the representatives from the 10 member communities of the Winnepesaukee River Basin Project (WRBP) and administrative personnel of WRBP. The meeting was held to discuss the proposed Capital Improvement Plan (CIP) for the facility.

Representatives from the 10 member communities serve as an advisory board, which has no voting authority in relation to the budget for WRBP, which is determined by the State of NH during the biennial budget process. The anticipated CIP proposed would consist of \$80 to \$100 million worth of capital

expenditures for a time period of 10 to 20 years. The City would be responsible for 40.55% of those expenditures, which would have a large impact of the taxpayers.

City Manager Cabanel advised the Council that there will be another meeting on August 25, 2010 at 9:00 a.m. to draft language to change the "Advisory Board" to a "Voting Board". There has been no discussion as to how the votes would be apportioned, but City Manager Cabanel prepared an analysis of the effects of having a one vote per member system (See Attachment #1).

Councilor Lipman recommended looking into different structures for voting on routine matters as opposed to expenditures. City Manager Cabanel ensured that no discussion has been made in reference to how votes will take place; this is just for the Councils reference.

Councilor Hamel asked if there is some way to get accountability of the WRBP, such as the number of employees, where they are, what they do, etc. City Manager Cabanel has gathered information from the last 10 years reviewing the various components of the budget, such as salaries, benefits and other expenses. From the outside view, it appears to be within reason, but they do not necessarily have information readily available in regard to the number of employees and the expenses associated with them.

City Manager Cabanel expressed concern with the administrative costs of WRBP, as they have grown exponentially over the last few years. In addition to administration for WRBP, each member community is also making a payment to the State of NH for additional administration.

Councilor Hamel asked what the project was that was going to cost \$100 million. City Manager Cabanel explained that there are three components, including expensive permit requirements from the Environmental Protection Agency (EPA). The additional are capacity issues, which have not been determined at this time, and other items that the Committee would like to have but may not necessarily be needs.

The Council did not have objection to City Manager Cabanel moving forward with the other member communities to pursue the Legislative proposal.

**UNFINISHED BUSINESS:**

1. WOW Trail
2. Master Plan
3. EPA Update
4. Sewer & Water Master Plan
5. Single Stream Recycling/Concord Co-Op

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

**COUNCIL COMMENTS:**                      **NONE**

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

**ADJOURNMENT:**

Councilor Hamel motioned to adjourn at 10:28 p.m. Seconded by Councilor Bolduc. **Motion passed unanimously.**

A True Record Attest:

Mary A. Cote  
City Clerk