



**LACONIA CITY COUNCIL MEETING  
APRIL 12, 2010  
CITY HALL – CONFERENCE ROOM 200A  
7:30 P.M.**

**CALL TO ORDER:**

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

**SALUTE TO THE FLAG:**

Councilor Armand Bolduc led the Salute to the Flag.

**ROLL CALL:**

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

**CONTINUANCE OF BUDGET PRESENTATIONS:**

Chief Erickson continued to answer questions from the Council.

Councilor Lahey asked when the LRGH Firefighter position came into effect. Chief Erickson estimated the start date of 2007. In addition to the firefighter, it was negotiated to hire a Deputy Chief of EMS, provide Bike Week staffing, as well as pay for additional staffing for a recall due to medical needs. This contract contributes approximately \$710,000. Councilor Lahey noted his recollection prior to the contract, and praised the effectiveness of LRGH to fix the issues. Chief Erickson echoed the success of the current program, and the amazing training the medical personnel receive.

Councilor Knytych asked what the department's policy is for scheduling time off; is it generally short notice or is the department aware in advance. Chief Erickson explained that in October, each employee is required to submit for vacation time if they are taking a full week off. If they would like a day of vacation time they are required to submit 48 hours in advance. Councilor Knytych noted the Police Departments policy of 20 days notice, which allows them to adjust the schedule and avoid overtime costs when necessary, adding that it may be a course the Fire Department would look into. Chief Erickson explained that the Police Department has four employees with schedules to cover vacations, training, and time off. With eight firefighters on every day, there is no one available to "float around" without taking a truck out of service on a regular basis; progress has been made because they don't put trucks out of service. Councilor Knytych was trying to make a positive statement for hiring an additional firefighter to cover rather than using overtime, however Chief Erickson reiterated that finding someone to work on-call is not a realistic approach.

Councilor Lipman would like to have Finance Director Reynolds to do an analysis of the overtime over a series of years. Councilor Hamel echoed this request, noting his concern for stacking overtime in the last three years of employment for the purpose of retirement. Chief Erickson noted that overtime is always high for a firefighter, and he does not feel this is a problem for his department.

City Manager Cabanel explained that some municipalities do have this issue, but Laconia does not have that issue. If someone is working a lot of overtime and it has been that way for several years, and is not a new occurrence.

Councilor Lipman again asked to have some numbers put together to justify that stacking of overtime is not happening.

Councilor Hamel also asked the Chief to look into the possibility and cost of hiring someone to covering overtime shifts. If there are 30 weeks of vacation, someone is guaranteed to work 75% of the year. Chief Erickson explained that one person is only going to cover one shift, with the possibility of having four people out at a time because there are four shift rotations; therefore it would not be effective to hire one person. City Manager Cabanel asked Chief Erickson to put some scenarios on paper for the Council so they can see what it would be like in that particular situation.

Councilor Baer expressed concern with Heating Fuel (01-445-204-0000). The current statements show that only 30% of the budget has been expended and there is a large amount left over. Chief Erickson explained that this was a very mild winter, and he is not comfortable cutting the operating budget based on having a mild winter. Other costs saving measures have been put into effect to try and stabilize the operating budget, and time will tell if the efforts are justified.

Councilor Hamel thanked Chief Erickson for his efforts with the budget.

#### **ADOPTION OF MINUTES OF PREVIOUS MEETINGS:**

- **Regular and non-public minutes of March 22, 2010**

Councilor Bolduc moved to accept the regular and non-public minutes of March 22, 2010. Seconded by Councilor Knytych . **Motion passed unanimously.**

#### **CONSENT AND ACTION CALENDAR:**

**The following organizations are requesting approval to raise funds on City property and were approved by the Council in 2009.**

- a) Memorial Park Men's Softball League – April thru November 2010 – 6:00 p.m. – 11:00 p.m. - Memorial Park Fields**
- b) Armand J. Laramie Babe Ruth League – May 5 thru July 6, 2010 – Midweek at night and Saturdays starting at 9:00 a.m.**
- c) American Cancer Society/Breast Cancer Walk – October 17, 2010/6:00 a.m. – 2:00 p.m. – Opechee Park**

Councilor Lipman made the motion to approve all of the above requests as presented. Seconded by Councilor Hamel. **Motion passed unanimously.**

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

**INTERVIEWS: NONE**

**COMMUNICATIONS: NONE**

**PRESENTATIONS:**

- **Shanna Saunders, Planning Director – Recommendations of Planning Board regarding Impact Fees**

Director Saunders began by introducing the members of various departments as well as the Planning Board present this evening. As previously explained in her prior presentations, Director Saunders reiterated that impact fee language comes directly from State of New Hampshire statutes and is defined as “a proportional share of the municipal capital improvement costs, which can be reasonably related by new created development”. This translates into a fee for new developments to pay for the capital expenditures required by the development.

Impact fees are assessed at the time the Planning Board approves the subdivision; anything currently approved for construction would not be subject to these fees. The amount is collected at the time a Certificate of Occupancy is issued for each unit.

This project has been in the process since June of 2007. Bruce Mayberry is well known within his industry for his work on impact fees throughout New England. He began the process by sitting down with the department heads to analyze the expenditures and took the time to get the numbers accurate. On March 2, 2010 the Planning Board held a public hearing, at which time they approved the attached module for impact fees. Director Saunders reviewed the choices made by the Planning Board, as well as the reasoning for choosing each fee schedule based on the needs of the City.

The Planning Board has recommended at this time to implement a 25% fee. This was not a unanimous decision, but with the amount of money collected per column the cost associated with tracking and disbursement would be too high.

Councilor Lahey asked if the money collected is held in a separate fund. Director Saunders explained that it is kept separate, with each section (i.e. Public Schools, Police, Fire, etc) being allocated its own fund. These funds cannot be used for operating expenses, and must be spent on new infrastructure that is being put in place because of the development. It cannot be replacement or maintenance.

Councilor Hamel asked if the projects need to be done in the specific area of the development. Director Saunders noted that they do not, but it will need to be generally in the field that is being effective. For example, the Police Department needs to be expanded, or a vehicle needs to be purchased, to allow coverage for the increase in population, as long as the expansion can be justified. Councilor Hamel further inquired if additional police officers could be added with these funds. Director Saunders stated they could, as long as it is justified, such as a geographical increase of the service area. This could also be used for increases in road repair due to increased traffic also, increase in water line capacity, or even a pump station. Councilor Hamel requested clarification on the administrative costs that would make the charging of 10% ineffective. Director Saunders stated that the numbers have not been compiled yet,

however it has been recommended that going lower than 25% would be less effective on the whole scope.

Councilor Hamel further inquired if the fees are different based on the value of the property. Director Saunders explained that they are separated by the type of dwelling rather than value, so a home built at a value of \$100, 000 will be paying the same fee as a home with a value of \$350,000.

Councilor Hamel asked if funds could be used to purchase books for the library if there could be a justified increase in the use of the facility. Director Saunders initial response was yes, but after conversing with Finance Director Reynolds, it was determined that no, we would not be able to purchase books.

Councilor Baer noted that Director Saunders has stated the fees could be used for personnel, however Councilor Baer presented an article she had discovered stating the contrary. Director Saunders retracted her statement, noting that it can be used on capital expenditures only.

Finance Director Reynolds also noted that it has been mentioned by the Fire Department that if development continues on the north side of the City, another substation may be required and the fees can be used for the debt on the building.

Director Saunders also wanted to mention that the Planning Board chose not to recommend any exemptions across the board for the fee schedule. For example, it was discussed if elderly housing would be exempt from fees for schools. The reasoning is because the City has very few areas that are deeded for specifically elderly housing, and the impact fees are designed for future growth; if someone purchases the home this year and receives an exemption because of their age and they choose to sell it to a family of five next year, the fees were not collected to account for the additional children that would be attending schools. Rather than making the exemption, it was decided to make an amendment to the ordinance to allow waivers on a case by case basis in the event that a development was deeded as age restricted.

Director Saunders advised that she is looking for approval on the actual fees, and after that is done, she will present an amendment to the existing subsection of the City Ordinance for Council approval.

Councilor Lipman suggested holding a public hearing of the Council. Councilor Hamel inquired as to how many people attended the public hearing held by the Planning Board. Director Saunders advised that there were two, and they are both in attendance this evening.

Councilor Hamel recalled that at the last presentation it had been requested to have Director Saunders look into other Cities with a comparable size to Laconia and see what they are doing in regards to the impact fees, and why they are operating that way. Director Saunders had referenced following up with Lebanon and Rochester. In both instances, she did not get definitive answers as to why they chose not to move forward, however she was told that this is not something that has been completely eliminated from the scope, but is on the "back burner" at this time.

Director Saunders shared with the Council a comparison of fees from other municipalities in New Hampshire that are currently assessing impact fees. It was explained that most municipalities did not choose to assess impact fees based on every field optional, with the exception of Dover.

Director Saunders expressed that now, while we are in a developmental downturn, is the time to start assessing the fee as a way to capture the upswing. In prior years when the potential for thousands of units were possible, the City was unsure of how they were going to handle the increase in population. Statistically, there is the potential for an increase in development within the next couple of years, and the 25% is the minimal amount that can be collected to accommodate.

Councilor Baer asked if the Planning Board is in favor of all of the selected groups sharing in the fees, or if they are open to discussion to select a few groups. Director Saunders stated that the Planning Board did look into choosing single groups, and it is their recommendation to go with all of them.

Councilor Bolduc asked if the development on Weirs Boulevard would be held to these fees. Director Saunders explained that they would be exempt, unless their permit expired and they needed to reapply. Future development would be subject.

Councilor Lipman made a motion to hold a Public Hearing on May 10, 2010 during the regular Council Meeting for the purpose of collecting input on potential impact fees. Seconded by Councilor Hamel.  
**Motion passed unanimously.**

Councilor Hamel expressed his knowledge of the economic downturn, but also noted that when the economy turns around and something like this is not in place, we will lose out. We need to capture some fees to cover the infrastructure, rather than kick it back on the current taxpayers.

Councilor Lahey countered that some of the factors do not relate to the single family, but rather to the larger developers, and that more thought is needed to determine what fees are adequate.

City Manager Cabanel suggested taking a couple years information, particularly years with higher development, and looking at what the fees would have been if they were in place at that time. The purpose would be to give a better understanding of the fund potential yearly.

Councilor Lipman also requested to have a consultant, such as Mr. Thibeault from Applied Economic Research as well as someone familiar with realty in the area, attend the public hearing also.

- **CAFR/City's Annual Financial Report – Pam Reynolds**

Finance Director Pam Reynolds explained the three sections of the CAFR; introduction, financial, and statistical.

In the introductory section, there is a summary of the financial reports and accounting standards they fall into, as well as a brief history of the City. Also, an economic condition and outlook is in this section, which bases the City's progress on June 30, 2009. Major initiatives are outlined, such as the LRGH contract with the ambulance service in prior years.

The financial section reviews the state of the revenues and expenses by category. There is information on the Fund Balance, as well as various other funds, along with the current debt and revaluation information. Information regarding the City Council members, School Board, and Department Heads as of June 30, 2009 is also listed.

Concentration on the summary of the financial statements is encouraged, as the statements themselves can be difficult to read. The number of interest to the Council is the Undesignated Fund Balance located

on page 14 of the report, which reports \$6.3 million. Another interesting section includes the breakdown of which funds are included on each financial statement, making it easier to review.

Finance Director Reynolds explained the various other areas of the report that may be interest to the Council and taxpayers, as well as trend information from various areas, such as solid waste collection tonnage and books circulated at the library.

This report is available on the City's website.

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

Roger Stone, a resident of Old Prescott Hill Rd, requested to speak as he was not in attendance earlier this evening.

Mr. Stone asked if the residents on Old Prescott Hill Rd are required to pay Mr. Mooney for water fees. Councilor Baer noted that Mr. Mooney does not own the water company any longer. Mr. Stone countered that the people residing next to him have recently lost their home, and he was informed by his neighbors that Mr. Mooney was requesting payment for water.

Mr. Stone expressed his thoughts pertaining to the sharp corner on Old Prescott Hill Rd. It is his opinion that painting a line in the road would discourage motor vehicle incidents on the street. Councilor Baer explained that this was brought up at previous meetings with Public Works, and the issue is still in existence. City Manager Cabanel will follow up with the Director of Public Works to get a line painted on the road.

Councilor Bolduc advised Mr. Stone to contact Laconia Water Works regarding his concerns with water connection.

**MAYOR'S REPORT: NONE**

**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, Knytych, Lahey) (No report on any item in committee)
  - a) Fair St./Court St. traffic problems and accidents
  - b) Complaints regarding signage on "One Way" streets
  - c) Winter parking restrictions from 9:00 p.m. to 6:00 a.m.

Councilor Baer moved to remove item b and c from the agenda. Seconded by Councilor Knytych. **Motion passed unanimously.**

**3. GOVERNMENT OPERATIONS & ORDINANCES: (Knytych, Bolduc, Lahey) (No report on any item in committee)**

- a) Energy Committee
- b) Amendment to Zoning ordinance re Drug Treatment Facilities
- e) Proposed Amendments to City Charter
- f) RSA 37:6 and the Powers of the City Manager

Councilor Knytych moved to remove item f from the agenda. Seconded by Councilor Hamel. **Motion passed unanimously.**

**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 Messer St.

**5. LAND & BUILDINGS: (Hamel, Lipman ,Bolduc) (No report on any item in Committee)**

- a) Repair & maintenance of City Buildings
- b) Use of City docks at Weirs Beach

Councilor Bolduc moved to remove item b from the agenda. Seconded by Councilor Hamel. **Motion passed unanimously.**

**LIAISON REPORTS: NONE**

**MANAGER'S REPORT:**

City Manager Cabanel began by explaining the condition of the Opechee Park Clubhouse. Bonnett, Page and Stone have inspected the building, and feel the building can be stabilized at a cost of under \$5,000. It is her request to get the repairs funded, as the life of the building will increase significantly.

Councilor Hamel moved to allow up to \$5,000 out of the Capital Reserve Fund to repair the Opechee Parkhouse. Seconded by Councilor Bolduc. **Motion passed unanimously.**

City Manager Cabanel updated the Council on the solid waste collection services. Previously Ann Saltmarsh has already presented, an analysis was done to give the Council options for how to proceed. After meeting with Bestway, who was the low bid when they were received, they have offered to reduce their price by an additional \$20,000. The total savings will be \$41,000, compared to the proposal of \$50,000 in savings which involves purchase of equipment, additional personnel, and capitalizing of funds. It is the recommendation of the City Manager to sign a one year agreement with Bestway at the new rate, and forgo collecting it ourselves.

Councilor Lipman moved to sign a one year agreement with Bestway at the new rate and forgo collecting ourselves. Seconded by Councilor Bolduc. **Motion passed unanimously.**

City Manager Cabanel informed the Council that all of the City spaces on the boardwalk have been rented for Bike Week.

The week of April 19, 2010 is Earth Week. Ann Saltmarsh has worked with the School Department to set goals for each day, including a "paper free" day, car pooling, lights and heat off, turning off electronics

when not in use, and a book and magazine swap. City Manager Cabanel thanked Ms. Saltmarsh and the School Department for their efforts.

**NEW BUSINESS:**

**1. Appeal regarding Weirs Drive-In and Smoke House application for MTRC/Baldi**

City Manager Cabanel explained to the Council the situation that arose with this particular applicant. City Manager Cabanel has spoken to the Planning Department, as well as the property owners, and resolved this issue. With the change in the interpretation since the last application process, it was felt that sufficient notice was not given to the applicant; therefore the application is acceptable for this year.

**2. Borrowing \$400,000 for Weirs Beach Boardwalk – Discussion of timing of issuance**

City Manager Cabanel explained that this is a second bond which has been approved for issuance. It is preferred not to issue the funds this fiscal year, which would require some of the costs be paid by the City, but to pay ourselves back during the next fiscal year.

Councilor Lipman asked if there needed to be a vote of intent from the Council. It is not needed because the issuance has already been approved, this was intended to inform the Council of the City Managers intent with respect to issuance, and gather any input they might have.

Councilor Knytych clarified where the funds would be coming from to pay the costs upfront. Finance Director Reynolds explained that the funds would be coming out of a cash fund, and would be reimbursed when the bond is issued. This will also avoid the bonding costs in this fiscal year.

**3. 2010-2011 Budget/Revenue Picture**

Councilor Lipman would like to get on record with respect to addressing the financial situation of the State of New Hampshire. The Governor's most recent proposal moved the issue to another fiscal year, and the 2011-2012 budget does not look certain at this time. Councilor Lipman expressed that there are revenue options to be addressed, and a position should be taken regarding the gaming issues. When the stimulus money is gone, the budget situation is going to get worse.

Councilor Knytych expressed his conflicted feelings on the issue of gaming. It is his thought that the revenue is becoming the main focus, and not enough discussion is happening on the gaming itself. Reference was made to the Town of Belmont holding a similar forum, and the citizens overwhelmingly disagreed with the notion of gaming.

City Manager Cabanel mentioned the attendance of herself and Councilor Baer at a conference at LGC, at which time it was encouraged to have municipalities to make suggestions to their delegation. When this was brought up the first time in conjunction with the Town of Belmont, the City Manager had expressed her concerns with holding discussion about this topic, as this level of government does not make those decisions. However, the City Manager is in agreement with Councilor Lipman and Knytych that is the opinions expressed are not that of a personal nature, but genuinely of your constituents, it should be discussed.

Councilor Lipman is looking for some longer term action to address the situation. If we sit back and do nothing, it is going to be pushed back on the municipalities and we will have no room for complaint.

Finance Director Reynolds asked if any information was acquired from discussions held previously with delegation. Councilor Lipman explained the discussions were reported to the Governor's Gaming Commission so they could put together a report. The Governor has taken a position that he would like a report before a decision is made, but the legislative process would have been followed by the time the report is complete and it will be too late to act.

Councilor Baer asked Councilor Lipman to review some of the services that could be reinstated if gaming passes the legislature. Councilor Lipman explained that the first \$50 million dollars in licensing fees would be used to restore cuts made to Health and Human Services, with a matching at the federal level.

City Manager Cabanel suggested having a public forum and inviting the County delegation.

Councilor Hamel expressed his concerns with the 1% increase from the County Budget. He would like to ask the County to go back and look for ways to not have an increase. Every area of the City is looking to cut costs and save money, and the County should be doing the same.

Councilor Lipman motioned to hold a public forum, to include local delegation, to discuss the City of Laconia's position on expanded gaming, to be held on Monday, April 19, 2010 at 6:30 p.m. Seconded by Councilor Hamel. **Motion passed unanimously.**

#### **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:**

Councilor Knytych 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

(d) Consideration of the acquisition, sale or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community.

Seconded by Councilor Bolduc.

On a roll call vote, the Council entered into non-public session at 9:10 p.m.

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:**

On motion of Councilor Bolduc, seconded by Councilor Hamel, it was voted unanimously to adjourn at 10:50 p.m.

A True Record Attest:

Mary A. Cote  
City Clerk