



**TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL AGENDA**

**REGULAR MEETING SEPTEMBER 2, 2015 7PM
NEWMARKET TOWN HALL COUNCIL CHAMBERS**

- 1) **Pledge of Allegiance**
- 2) **Public Forum** ***Public Forum is an opportunity for the public to address the Town Council. All comments should be addressed to the Chair of the Council. No person will be allowed to speak longer than 5 minutes.***
- 3) **Public Hearing:** None
- 4) **Town Council to Consider Acceptance of Minutes**
 - a) Minutes of August 19, 2015
- 5) **Report of the Town Administrator**
- 6) **Committee Reports**
- 7) **Old Business**
 - a) Ordinances and Resolutions in the 2nd Reading
 - i. *Resolution #2015/2016-06 Municipal Trash Bags*
 - ii. *Resolution #2015/2016-07 Emergency Expenditure of Funds for the MacIntosh Well Project for \$832,000 Per RSA 32:11*
 - iii. *Resolution #2015/2016-08 Withdrawal of School Impact Fees – Carpenter Property*
 - b) Ordinances and Resolutions in the 3rd Reading
 - c) Items Laid on the Table – NONE *(Items will remain on the table unless a member of the Town Council moves to remove the item.)*
- 8) **New Business/Correspondence**
 - a) Town Council to Consider Nominations, Appointments and Elections
 - i. *Conservation Commission – Marianne Hannagan Term Expires March 2017*
 - b). Ordinance and Resolutions in the 1st Reading
 - i. *Resolution #2015/2016-09 Creation of a Weather/Emergency Expendable Trust Fund*
 - ii. *Resolution #2015/2016-10 Authorizing the Town Administrator to Enter into an Agreement for Granite Curb Stone on Bennett Way*

iii. Resolution #2015/2016-11 Authorizing the Town Administrator to Enter into an Agreement with Bell & Flynn of Stratham, NH for Paving Ash Swamp Road

iv. Resolution #2015/2016-12 Replacing the Backstop at Beaulieu Little League Field

v. Resolution #2015/2016-13 Replacing the Infield Dirt at Beaulieu Little League Field

vi. Resolution #2015/2016-14 Replacing the Infield Dirt at Beanie Howcroft Memorial "D- Field"

c) Correspondence to the Town Council

d) Closing Comments by Town Councilors

9) Adjournment

DRAFT

**TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL REGULAR MEETING**

August 19, 2015 7:00 PM

PRESENT: Council Chairman Phil Nazzaro, Councilor Dale Pike, Councilor Amy Thompson, Councilor Toni Weinstein, Councilor Larry Pickering

EXCUSED: Council Vice Chairman Gary Levy, Councilor Amy Burns

ALSO PRESENT: Town Administrator Steve Fournier, Interim Finance Director Matt Angell, Water & Wastewater Superintendent Sean Greig, Town Attorney John Ratigan

AGENDA

Chairman Nazzaro welcomed everyone to the August 19, 2015 Newmarket Town Council Meeting and called the meeting to order at 7:02 pm, followed by the Pledge of Allegiance.

Chairman Nazzaro announced that Vice Chair Levy and Councilor Burns were excused.

PUBLIC FORUM

Chairman Nazzaro opened the Public Forum at 7:03 pm and asked if anyone from the public wished to speak.

Mr. Leo Filion of Lafayette Road addressed the Council. He stated that he had served 25 years on the Newmarket Budget Committee and had attended a finance workshop several years ago put on by the New Hampshire Municipal Association presented by staff attorneys. The topic of the workshop was Warrant Articles presented at Town Meetings which call for a large expenditure of funds and bonding. He said it was stated that as soon as it is known that the Warrant Article cannot be completed with the approved funding, all expenditures would immediately cease until another Town Meeting either added to the funds or changed the purpose. He added that any article approved by the Town Meeting had both an amount and a purpose, and that once approved by the voters, no additional funds could be added without a subsequent Town Meeting and that no one could added additional funds to complete the job.

As no one else came forward, Chairman Nazzaro closed the Public Forum at 7:05 pm.

PUBLIC HEARING – None

TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES

Acceptance of the Minutes of the Regular Meeting of July 15, 2015

Councilor Thompson made a motion to accept the minutes of the regular meeting of July 15, 2015, and Councilor Weinstein seconded.

Town Administrator Fournier polled the Council and the minutes of the regular meeting of July 15, 2015 were approved by a vote of 4-0, with 1 abstention.

Acceptance of the Minutes of the Non-Public Meeting of July 15, 2015

Councilor Thompson made a motion to approve the minutes of the Non-Public Meeting of July 15, 2015, which was seconded by Councilor Pike.

Town Administrator Fournier polled the Council and the minutes of the Non-Public Meeting of July 15, 2015 were approved by a vote of 4-0, with 1 abstention.

REPORT OF THE TOWN ADMINSTRATOR

Town Administrator Steve Fournier first reported on **County Dispatch Services**. He said that he had attended a meeting on Thursday, July 16th of the city and towns of Rockingham County with the County Commissioners, with the focus on current dispatch services they offered. He said the counties of New Hampshire are only required to provide very limited services and that dispatch was not a required service. The County Commissioners also reported that the current dispatch center was in great need of repair and updating, but that they did not want to bond for the updates and could not accept additional communities. Town Administrator Fournier said that he verified with the Commissioners that if Newmarket were to shut down their dispatch center the County could not take them on. He then asked for a written statement to that effect, and said that as a result, Rockingham County Dispatch was not an option for the Town. Councilor Pike asked if the services were supported by the entire county or just the communities that participated in the services, and Town Administrator Fournier replied they were supported by the entire county. Councilor Pike said that if Newmarket was paying but could not have the services, he had an issue with that, and Town Administrator Fournier said he would reach out to other communities without dispatch services. Councilor Pickering said that he was also not interested in paying for services the Town could not use. Town Administrator Fournier said it would take a significant investment to upgrade the County dispatch services, especially if all communities in Rockingham County were included. Councilor Pike felt that if dispatch was updated regionally, it would almost certainly be less expensive and more efficient than a town-by-town dispatch. Councilor Thompson said that as Newmarket had already invested in their dispatch center, would it be possible to serve as a county sub-contractor to help handle county overflow. Town Administrator Fournier said that the County would then lose its revenue if it paid municipalities, and Councilor Thompson pointed out that if towns stopped paying they would lose their revenue anyway. Chairman Nazzaro asked about the likelihood of the upgrades being made, and Town Administrator Fournier replied that he would not plan on it happening within the next 3 to 5 years. Chairman Nazzaro then asked what their legal recourse would be since they had zero

opportunity to take advantage of something they were paying for. Town Administrator Fournier said he would be talking with other communities but wanted to first discuss it with the Council.

Town Administrator Fournier next addressed the recent **Stage 3 Water Restrictions** placed on the Town. He said that pursuant to the Town Code Chapter 14 Section 26 and recommendation by the Water & Wastewater Superintendent, he had declared a water supply shortage and ordered the Water & Wastewater Department to impose Stage 3 restrictions regulating watering in the Town. He said that violations could result in fines from \$100 up to \$1,000, and that this emergency would only be discontinued when water in the Town wells returned to appropriate levels. He said so far they had seen no changes and that levels were still dropping, adding that he was meeting with the Water & Wastewater Superintendent daily for updates on the situation, but that they had not yet reached a Stage 4 emergency. Councilor Pickering stressed that the restrictions only applied to municipal users and not private wells. Councilor Weinstein asked Town Administrator Fournier what level they had reached, and he replied they were currently 3 feet from the screens. Water & Wastewater Superintendent Sean Greig explained that this meant they were 3 feet from shut offs, which was a certain level you do not want to go beyond as it could cause damage to the well, and that it all depended on rainfall for recharge. He added that Newmarket was not the only community in this situation. Chairman Nazzaro asked what would happen if the water reached the screens. Water & Wastewater Superintendent Greig said he was not sure, but that they had put in some new observation wells to track the workings of the aquifer, and that the Town had been this low before in 1996 and 2000. Councilor Pickering asked if they still had the ability to draft water from Follet's Brook to recharge the wells, and Water & Wastewater Superintendent Greig said they did not have the capacity at this time.

Town Administrator Fournier next addressed **FY2015 Year-End Financials**, emphasizing that these were estimates and not audited figures. He said that for the entire FY15 Budget, out of the \$8,672,983 appropriated, they were under-expended by \$137,838 or 1.5%. He said this included the General Fund, the Special Funds, and the Enterprise Funds. He said that for the General Fund, out of the \$6,089,345 appropriated, \$79,026 remained or 1.3%, and a 5-year comparison of unexpended funds was provided. He said the reason for the lower return of funds was due to budgeting closer to actual expenditures. With regard to revenues, \$21,295,816 were collected which was \$505,853 (2%) higher than anticipated. Town Administrator Fournier said they were anticipating the fund balance to be \$2,438,983.29 (8.91%) which was within the Fund Balance Policy, with figures subject to final audit. Councilor Thompson felt that it was great that they were budgeting tighter and that revenues were coming in higher than anticipated, but wanted to emphasize that going forward it was important to make sure they did not budget to unanticipated revenues. Town Administrator Fournier said they were using the extra revenue to offset Capital Reserve Funds rather than operational costs. Chairman Nazzaro said he would like to see the tighter budgeting against the actual budgets for each year.

Town Administrator Fournier stated that he was continuing to work on the **Salary Survey** and that the Finance Director was in the process of wrapping this up. He said that any changes or proposed changes would be done in the FY17 Budget. He added that Interim Finance Director

Matt Angell was working with department heads in re-examining job descriptions to make sure they are accurate. Town Administrator Fournier next reported that the **Auditorium Upgrade** had been completed with the installation of air-conditioning, a retractable projection screen, and new wiring. He said that they had been able to save money on the project and were looking to upgrade the A/V system and wiring in the Council Chambers. He stated that one of the first events to be hosted in the Auditorium would be the NHMA Municipal Law Lecture Series to be hosted on three (3) consecutive Wednesdays in October, and highly recommended attending.

Discussion of Department Head Reports: Councilor Thompson asked if a little more effort could be expended by the Public Works Department with regard to pursuit of the UNH paving plan. Town Administrator Fournier said they first had to get permission from the Department of Transportation as to funding for offsetting costs, and that he had offered the Town's assistance. Councilor Thompson said that she understood a paving schedule was being worked on, and felt the Town had roads that needed to be addressed. Town Administrator Fournier replied that nothing was scheduled until the spring paving season anyway, and that only Ash Swamp Road would be paved in the fall. Councilor Thompson commended Mr. Doug Poulin on the IT Department report and Interim Finance Director Angell on the clarity of his financial highlights. She said she had comments from Vice Chair Levy as well regarding Fire & Rescue and the possibility of replacing an ambulance. Chairman Nazzaro stated that Vice Chair Levy had also spoken to him on this issue and stressed there was just a potential they would be asking for the replacement. Councilor Weinstein said she had a question regarding the CopSync 911 Program which was scheduled to be operational by the start of the school year, wondering if the Perkins Building would be included. Councilor Thompson asked for the status on the cost schedule for the Bike Path, and Town Administrator Fournier replied that the State was still reviewing the project, which included looking into avoiding the extra 20% payment. Chairman Nazzaro stated that he did not recommend spending money on a TV set for the Council Chambers and that the projector was working fine. He asked for the status of the North Main Street Project, whether the Town would remain within the budget set, and Water & Wastewater Superintendent Greig said that it was under budget at this point.

MacIntosh Well Project Overage

Town Administrator Fournier stated that on the evening agenda was the first reading of a resolution authorizing the Town Council to apply for permission from the Department of Revenue for an emergency expenditure from Water Surplus in the amount of \$795,000 for overages on the MacIntosh Well Project. He said that the Town Council had recommended the issuance of \$2,502,600 in bonds in 2012 for the construction of the MacIntosh Well, based on figures put forth at that time by engineering firm Weston & Sampson. He said this figure included an additional \$100,000 approved by the Council for construction of a blending facility for future treatment. He stated that construction bids had gone out earlier this year, and that all five (5) bids received had come in higher than the original estimated cost. The lowest bidder was Waterline Industries with a proposed construction budget of \$2,121,677. Town Administrator Fournier provided a breakdown of costs expended by the Town to date totaling \$706,089. As a

result the Total Revised Project Budget came to \$3,297,766 which left a difference of \$795,166 with the \$2,502,000 Bonding Authority subtracted. Town Administrator Fournier said he had addressed this with Director of Water & Wastewater Sean Greig and Town Attorney John Ratigan. He said that NH RSA 32:11 provides a framework to address this type of issue allowing the Town to withdraw funds from surplus. He explained that an application would need to be submitted and that the Municipal Budget Committee must agree to the application. He stated that they were proposing to withdraw \$795,000 from the Water Fund balance, which would reduce the current funding to \$520,574. He said that he had already discussed the process with the Town Attorney and the DRA and that they would ultimately need approval by a Commissioner.

Town Attorney John Ratigan cited earlier comments by Mr. Filion regarding budgetary restrictions, but added that the legislature recognized that not everything that will happen in a Fiscal Year can be anticipated. He said the project could not be delayed as they were approaching dire water supply status. He said that he had spoken with Water & Wastewater Director Greig, called the Department of Revenue, and talked to Newmarket's municipal liaison explaining the circumstances and he was told that the statute was written specifically for this type of situation. He said that they needed to go through the steps laying out the facts in the application, obtaining the approval of the Budget Committee for the proposed expenditures, and submitting it to the Commissioner.

Town Administrator Fournier provided a review of how the Town had gotten to this point. He explained that back in 2012 when they went out for proposals from engineering firms, done at the same time as the Wastewater Project, neither of the projects kept the same engineering firms who submitted the original proposals. After review by new engineering firms it was determined that numbers were not adding up and the Town decided to go out to bid for the construction costs, also asking another engineering firm (Wright-Pierce) to provide an independent review of the figures. Town Administrator Fournier stated that Wright-Pierce confirmed that Hazen & Sawyer and construction firm proposals were correct. Councilor Pike asked when we were aware of the discrepancies, and Town Administrator Fournier said that the discrepancies found by Hazen & Sawyer were confirmed by Wright-Pierce to have been incorrect at the time of the original estimate. Water & Wastewater Director Greig stated that the original estimate was done in 2010, updated in 2012, and approved by the Town Council in January 2013 for bonding of \$2.5 million. Councilor Pike pointed out that Weston & Sampson figures were off by approximately 30%. Water & Wastewater Director Greig said that he had reviewed their original proposal to try to figure out what had gone wrong and discovered a number of errors, including the under-budgeting for the pump house and the cost of extending the directional drill. He said that there was no difference from what was planned and what was designed, and that the firm had missed the estimate.

Councilor Pike asked if Weston & Sampson had any responsibility to the Town. Town Attorney Ratigan replied that he did not have enough information about the situation to render a judgement as to negligence at this time. Councilor Pike said that he would like to get a little more information on the issue to see if anything could be done. Councilor Thompson asked when

it had come to light that the estimate was so far off and Water & Wastewater Director Greig said that bids were received on June 25th and were sent to the engineering firm for review. He then sent a memo to the Town Administrator on July 16th. Councilor Thompson questioned “project delays” on page 4 of the report which she thought were due to the Town Council, and Town Administrator Fournier replied that there were no cost delays by the Council or any Town agency. Chairman Nazzaro said that he had three questions regarding the issue, the first being how we got in this situation in the first place. He asked if there was a breakdown of line items and which of the line items had come in higher. Water & Wastewater Director Greig said that pump house planning costs had come in lower than the actual low bid and should have been higher. He said that an Opinion of Probable Costs by Weston & Sampson was provided on page 5 of 16 of the report listing line items. Chairman Nazzaro pointed out big money in blending facilities and distribution system improvements, and Water & Wastewater Director Greig said that the different bids had more money in different line items. Chairman Nazzaro asked how the Town became involved with Weston & Sampson in the first place, and Water & Wastewater Director Greig replied that they were selected by a group of staff members and were on State engineering-approved selection lists. Chairman Nazzaro felt it was important that the State be notified and Water & Wastewater Director Greig said the State was already aware of what was going on.

Chairman Nazzaro said his second question was what to do now, as funds were being requested from the fund balance, and asked what the original plan had been for those funds. Water & Wastewater Director Greig stated that several projects were going forward and that they were also looking into developing another well to increase the water supply. Chairman Nazzaro asked how these plans would be impacted, and Water & Wastewater Director Greig said they might have to reassess which projects would go forward and how they would proceed. Chairman Nazzaro asked what they would not be doing because of this, and Water & Wastewater Director Greig said they were still moving forward with all intended projects. He said that bond payments had been building up in the fund balance which they had not yet had to start paying. Interim Finance Director Matt Angell gave a review of the finances, stating that there was \$1.3 million in available fund balance and that he had established that a good amount to retain was approximately \$530,000. He said he had used an estimate of 3 months retainage of \$236,000 (3 months of operations) as a rule of thumb, and added \$300,000 for emergency projects to reach the figure of \$536,000. Chairman Nazzaro asked Town Attorney Ratigan again if this was a legal recourse without having to go back to another Town Meeting, and he replied absolutely.

Chairman Nazzaro then asked what systems were being put in place to make sure this never happened again. Town Administrator Fournier replied that in future, before going into a project like this, he planned to get a second set of eyes from an independent engineering firm for review. He said they would check references, work with individuals, and talk with other communities. Chairman Nazzaro said he would like to see something codified for the Town. Councilor Thompson raised concerns about potential rate increases to water and sewer users. Water & Wastewater Director Greig said the recent rate increases had been for sewer and not water, and that the last water increase was in 2011, with Newmarket having one of the lowest rates.

Councilor Thompson said she would like to review the rates at some point. Town Administrator Fournier stated that it was announced in 2013 that bonding would have no impact on tax or water rates.

COMMITTEE REPORTS

Councilor Pike reported on the Planning Board meeting of the prior week saying the agenda had been fairly light. He said the Elm Street project had been on the agenda but was given a continuance and would be on the next agenda. He said that the Housing and Demographic Chapter of the Master Plan had been approved.

Councilor Weinstein reported on the initial Capital Improvement Program (CIP) Committee meeting which was held on August 6th. She said that Rose-Anne Kwaks had been elected as Chairman with Russ Simon as Vice Chairman. She said that there was a discussion of the rules of proceedings for the committee and forms were reviewed. She said they had discussed a final report being put together by Diane Hardy, which would be a manual explaining projects for the Council and available to the public. She said that they also discussed touring facilities to determine needs and that the Department Heads would be presenting to the CIP Committee on September 15th.

Councilor Thompson reported on the Joint Economic Development/Planning Board meeting held 2 weeks prior, and said she had been unable to attend but that Vice Levy had been there. She said the minutes would be available online for anyone interested. Councilor Pike said that he had watched the video and that the main thing would be zoning changes that the Planning Board would be recommending to the Town Council. Councilor Thompson said these would be based on business uses and would look at the increasing marketability of certain desired sites in Town in zones B2 and B3.

OLD BUSINESS

ORDINANCES AND RESOLUTIONS IN THE 2ND READING

Resolution #2015/2016-03 Accepting Harvest Way as a Town Street

Councilor Weinstein made a motion to approve *Resolution #2015/2016-03 Accepting Harvest Way as a Town Street*, which was seconded by Councilor Pike.

Discussion: Councilor Pike asked if the Town would now be plowing the street, and Town Administrator Fournier said that they had already been doing that after an agreement with Epping in 2002. Councilor Pike asked what would be changing with this resolution and Town Administrator Fournier replied that the ownership of the road would go from the Homeowners Association to the Town, which had been delayed due to some issues. He said that after receiving confirmation of the approval by Epping, the Town would now be moving forward making

Harvest Way a Town road, which would have to be paved and maintained in the future. He said that they also held a bond in case of any issues. Councilor Weinstein felt this was a long time coming and felt it would be a benefit to the residents and taxpayers of the area. Councilor Pickering said that he noticed there was ornamental lighting along the road and assumed Newmarket would be taking on ownership. Town Administrator Fournier said they would only take care of the road and that lighting problems would need to be addressed by the Homeowners Association.

Town Administrator Fournier polled the council and *Resolution #2015/2016-03* was approved unanimously by a vote of 5-0.

Resolution #2015/2016-04 Awarding Liquid Propane, Regular Gasoline, and Clear Diesel

Councilor Thompson made a motion to approve *Resolution #2015/2016-04 Awarding Liquid Propane, Regular Gasoline, and Clear Diesel*, which was seconded by Councilor Weinstein.

Discussion: Interim Finance Director Matt Angell explained that every year the Town goes out to bid for most of its energy needs. He said the results of this particular RFP were for liquid propane, regular gasoline, and clear diesel, and that in most cases they would be paying much less than last year. He said he had put the RFP in newspapers and called local vendors but only received two (2) proposals. Councilor Pickering said that since the prices were received, fuel costs had dropped significantly and asked if the price could be re-negotiated. Interim Finance Director Angell said that this could possibly be done but that it would mean not approving Resolution #2015/2016-04 at this meeting. Councilor Thompson asked if the prices were lower compared to last year. Interim Finance Director Angell said that they were and that liquid propane was \$1.69 last year and \$1.49 this year, regular gas was the same price over rack, and that clear diesel had dropped from \$3.26 last year to \$2.40. Town Administrator Fournier pointed out that if gas prices dropped based on the rack, they would get that benefit.

Town Administrator Fournier polled the council and *Resolution #2015/2016-04* was approved unanimously by a vote of 5-0.

Resolution #2015/2016-05 Authorizing the Town Administrator to Enter into an Agreement for Asphalt

Councilor Weinstein made a motion to approve *Resolution #2015/2016-05 Authorizing the Town Administrator to Enter into an Agreement for Asphalt*, which was seconded by Councilor Thompson.

Discussion: Town Administrator Fournier explained that this resolution allowed the Town to get into the queue for asphalt, setting a price per unit. Councilor Thompson again requested a price comparison. Interim Finance Director Angell said that the price was roughly the same, but that

he did not have the price comparison for last year available. He did note that last year they only had one (1) bid, but had two (2) bids this year and that they were seeing increasing competition.

Town Administrator Fournier polled the Council and the motion to approve *Resolution #2015/2016-05* passed by a vote of 5-0.

ITEMS LAID ON THE TABLE - None

NEW BUSINESS/CORRESPONDENCE

TOWN COUNCIL TO CONSIDER NOMINATIONS, APPOINTMENTS AND ELECTIONS

Newmarket Housing Authority

Candidate: *John Reddy – Term Expires March 2019*

Councilor Weinstein made a motion to approve the nomination of *John Reddy*, Term to Expire March 2019, as a *Newmarket Housing Authority Representative*, which was seconded by Councilor Thompson.

Town Administrator Fournier polled the Council and the motion to approve the appointment of *John Reddy* as a *Newmarket Housing Authority Representative*, passed unanimously by a vote of 5-0.

Town Organizational Study Sub-Committee - Appointment of Council Representatives

Chairman Nazzaro said that as every Council member wanted to be on the Organizational Sub-Committee, he had selected Councilor Burns, Vice Chair Levy, and himself to make up the membership in an attempt to build a fair and equitable committee. He said he felt this would bring viewpoints from across the spectrum of the Council. Town Administrator Fournier made sure they had voted to change the rules allowing the Chairman to make the selections.

ORDINANCES AND RESOLUTIONS IN THE 1ST READING

Resolution #2015/2016-07 Emergency Expenditure of Funds for the MacIntosh Well Project for \$832,000 per RSA 32:11

Chairman Nazzaro read *Resolution #2015/2016-07 Emergency Expenditure of Funds for the MacIntosh Well Project for \$832,000 per RSA 32:11*, in full. He asked Town Administrator Fournier why the \$832,000 figure was different from previously discussed, and Town Administrator Fournier said it was in the packet and the email with backup information provided.

Resolution#2015/2016 Withdrawal of School Impact Fees – Carpenter Property

Chairman Nazzaro read *Resolution #2015/2016 Withdrawal of School Impact Fees – Carpenter Property*, in full.

CORRESPONDENCE

Councilor Weinstein said that she had been contacted by John Kyper regarding a coalition of concerned community members working to address the heroin crisis in Newmarket. She said the group, the Newmarket Substance Abuse Coalition, was composed of community members, the pastor of the Community Church, one of the police detectives, and Lamprey Health, etc. and that a meeting would be held on Tuesday at 1:00 pm in the basement of the Community Church. Chairman Nazzaro said they had all received correspondence regarding Church Street paving and that the Town Administrator had communicated with residents. Councilor Thompson said that she had not received the email and asked that Councilor contacts on the website be updated to include her and Councilor Burns, as all Council members needed to be accessible.

CLOSING COMMENTS

Councilor Pickering said that having additional revenue was a good thing but that he would like to move the discussion of properties not paying taxes forward, if possible. He said that someone may want to purchase a property consisting of a parking lot at the foot of Bay Road. Town Administrator Fournier said that they had lost members who were part of the original committee Councilor Pickering was referring to, and that the Council could add another member and continue the process. Chairman Nazzaro asked if anyone was interested in being on the Town land for sale committee, and Councilor Weinstein volunteered. Councilor Pike felt the Town should not sell any parking areas, and Chairman Nazzaro said the purpose of the committee would be to look at that and come back with recommendations.

Chairman Nazzaro stated that the next meeting would be held on September 2, 2015.

ADJOURNMENT

Councilor Pike made a motion to adjourn the meeting, which was seconded by Councilor Weinstein. The meeting was adjourned at approximately 8:32 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary



TOWN OF NEWMARKET, NEW HAMPSHIRE
OFFICE *of the* TOWN ADMINISTRATOR

REPORT OF THE TOWN ADMINISTRATOR September 2, 2015

Online Meeting Streaming: We have moved from PEG Central for our online streaming of meetings to Town Hall Streams. This service allows for immediate play back of meetings after the completion, the availability of rewinding meetings in progress and less expensive. Also, we can add bookmarks to parts of the meeting (chapters in the upper right hand corner of video window.)

We are working on migrating to the new system, but the last three meetings are on there for you to look at. It is available at www.newmarketnh.gov.

Engineering Services: We have had a need for more structured engineering services for the town for some time. We have been either using a varied number of firms or none at all. We have department heads who are doing things that a town engineer should be doing (grant applications, designing some town projects such as roads and sidewalk, reviewing proposals and plans) or these things are not being done at all.

I asked other municipalities how they handle this situation. Many have in house engineers, but after reviewing our size and projects, we are not at that level yet. Instead, a number of communities have an engineering firm of record that provide the services to the community. This would be similar to how we have a Town Attorney.

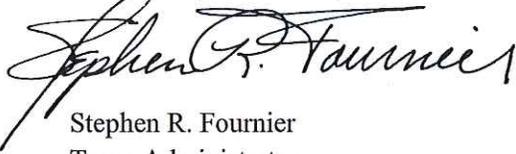
I am going to issue a request for proposal shortly to see what we can get for the services. I have talked to a community slightly larger than us in the region that went this direction and it is costing them about \$35,000 annually. We have this already budgeted for engineering services in the current operating budget. In addition, we would be able to charge planning applicant for engineering reviews to help offset this.

I will keep the Town Council posted. Any agreement would have to be approved by the Council.

FY17 Budget: The preparation of the FY2017 budget has begun and Department Heads will be submitting their proposed budgets to me in September. By law, I must present my budget to the Town Council by October 15, and the Town Council in return must present one to the Municipal Budget Committee by November 15. After I present the budget, traditionally we have had one workshop session on a Saturday to work on it and then have a final vote before the date its due. I would propose either October 24 or 31 for the work session.

Wage Plan: The Finance Director and I are finalizing a wage plan for town employees. This will assign a minimum and maximum range of compensations for various positions in town. We are also reviewing our current placement of employees and will be making adjustments in the FY 17 budget. I will have the wage plan to the Town Council either the second meeting in September or first of October. Please remember, a wage plan is not based on the person in the position, it is based solely on the position.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Stephen R. Fournier". The signature is written in black ink and is positioned above the printed name and title.

Stephen R. Fournier
Town Administrator

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council
Resolution #2015/2016-06
Relating to Municipal Trash Bags

WHEREAS, The Town of Newmarket purchases municipal trash bags for its pay to throw program when its inventory becomes low.

WHEREAS, Three bidders responded to the Town's Request for Proposal (RFP) for the Town's requirements of municipal trash bags.

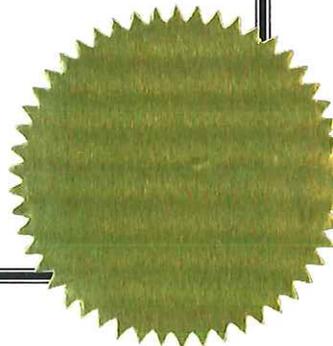
WHEREAS, WasteZero, Inc. is the recommended bidder for lots of 50,000 - 33 gallon trash bags and 20,000 - 15 gallon trash bag at \$11,030.00 and \$3,301.59 respectively.

NOW THEREFORE BE IT RESOLVED, that the Newmarket Town Council does authorize the Town Administrator to enter into an agreement with WasteZero, Inc. for the purchase of municipal trash bags.

First Reading:	July 15, 2015
Second Reading:	September 2, 2015
Approval:	September 2, 2015

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.



INTEROFFICE MEMORANDUM

TO: STEVE FOURNIER, TOWN ADMINISTRATOR
FROM: RICK MALASKY, PUBLIC WORKS DIRECTOR
SUBJECT: TRASH BAGS
DATE: 8/26/2015

We received three proposals for trash bags from the following three companies.

<u>Company</u>	<u>33 Gallon</u>	<u>15 Gallon</u>
Interboro Packaging Corporation	\$9,745	\$2,892
Dyna Pak Corporation	\$10,585	\$2,505
WasteZero	\$11,030	\$3,302

Interboro has had no experience with pay as you throw programs. Matt Angell had a very lengthy discussion with this company on the phone and didn't get a very good feeling about their experience. I also have concerns regarding this vendor. Pay as you throw has become very popular throughout New England and this company has supplied no one.

The second company Dyna Pak has done business with us in the past. We had some quality and control issues with some of their bags, this issue caused us to do a recall and was problematic. Also we requested the price be good for one year and they will only guarantee the price for 120 days.

WasteZero meets all of our requirements and we have done business with them in the past. Their bags and service has been excellent. I recommend we stay with this vendor for the reasons I've stated above.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



**TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council
RESOLUTION #2015/2016-07**

**AUTHORIZING THE TOWN COUNCIL TO APPLY FOR AN EMERGENCY EXPENDITURE OF FUNDS FOR THE
MACINTOSH WELL PROJECT IN THE AMOUNT OF \$832,000 PER N.H. RSA 32:11**

WHEREAS, the bids for the Town's MacIntosh Well Project have exceeded the estimated total project costs by approximately \$832,000; and

WHEREAS, the Town has an immediate need to supplement its existing water supply through the MacIntosh Well Project, given the Town's current water resources and the water customer demands that are placed on the Town's existing water resources; and

WHEREAS, N.H. RSA 32:11 authorizes the governing body of the municipality to apply to the Commissioner of Revenue Administration for authority to make an over-expenditure in the total amount appropriated when an unusual circumstance arises that makes it necessary to expend money in excess of the total amount appropriated for all purposes at the meeting; and

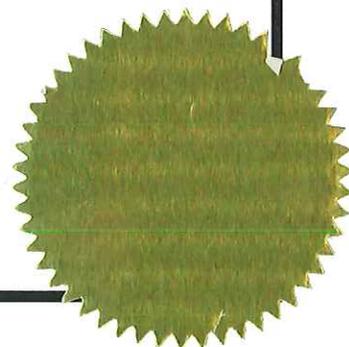
WHEREAS, the Town has sufficient funds in its water fund to cover this proposed \$832,000 over-expenditure, and the Council identifies the water fund as the source of funds for the proposed expenditure.

NOW THEREFORE, LET IT BE RESOLVED BY THE NEWMARKET TOWN COUNCIL, That the Town Council approves that an application shall be made pursuant to N.H. RSA 32:11 to the Commissioner of the Department of Revenue Administration requesting authority to make an emergency over-expenditure for purposes of the MacIntosh Well Project in the amount of \$832,000 and to authorize the Town Administrator to do all things in furtherance of this application.

First Reading:	August 19, 2015
Second Reading:	September 2, 2015
Approval:	September 2, 2015

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk



STEPHEN R. FOURNIER
TOWN ADMINISTRATOR



FOUNDED DECEMBER 15, 1727
CHARTERED JANUARY 1, 1991

TOWN OF NEWMARKET, NEW HAMPSHIRE
OFFICE of the TOWN ADMINISTRATOR

INTEROFFICE MEMORANDUM

TO: TOWN COUNCIL
FROM: STEVE FOURNIER, TOWN ADMINISTRATOR *S.F.*
SUBJECT: MACINTOSH WELL OVERAGE
DATE: 8/12/2015
CC: WATER AND SEWER SUPERINTENDENT; TOWN ATTORNEY

On the agenda this evening for a first reading is Resolution # - 2015/2016 Authorizing the Town Council to apply for permission from the Department of Revenue Administration for an emergency expenditure from Water Surplus in the amount of \$795,000. This expenditure is for overages in the Macintosh Well project.

In 2012, Town Council recommended the issuance of \$2,502,600 in bonds for the construction of the Macintosh well. This figure was based on the estimates put forward by our engineering firm at the time Weston and Sampson. Their estimated cost for the blending facility was \$2,402,600, which included inflation for three years. The Town Council added an additional \$100,000 for construction of a blending facility to the project for future additional treatment.

We went out to bid for construction of the project earlier in 2015. We received five bids. All of them were higher than the estimated \$2,502,600. Waterline Industries, the lowest bidder, proposed a construction budget of \$2,121,677. Currently, the Town has expended \$706,089, which is in line with estimates. The following is a breakdown of those costs:

Land Purchase	\$87,937
Advertisements	\$1,377
PSNH (bringing electrical service to the site)	\$111,350
Directional Drill	\$233,725
Engineering	\$271,700
<hr/>	<hr/>
Total Expenditures to Date	\$706,089

TOWN HALL ♦ 186 MAIN STREET ♦ NEWMARKET ♦ NEW HAMPSHIRE ♦ 03857
TEL: (603) 659-3617 ♦ FAX: (603) 659-8508 ♦ sfournier@newmarketnh.gov
www.newmarketnh.gov

With that in mind, when we revise the project budget we have the following:

Total Expenditures to Date	\$716,089
Lowest Bid Price (Waterline Industries)	\$2,121,677
Construction Administration/Oversight	\$352,000
Contingency	\$118,000
<hr/>	
Total Revised Project Budget	\$3,297,766
Bonding Authority	\$2,502,600
<u>Difference</u>	<u>(\$795,166)</u>

Sean Greig, the Director of Water and Sewer and I have talked with the Town Attorney on how to address this situation. N.H. RSA 32:11 establishes a framework for town to address this type of issue. It allows the town to withdraw funds from surplus to address this issue. We must make the application prior to expending the funds, and the Municipal Budget Committee must agree to the application.

At the August 19, 2015 meeting, we will have the first reading of a resolution to authorize the Town to make that application to the Commissioner of the DRA. We are proposing withdrawing \$795,000 from water fund balance to address this. Currently, there is \$1,315,574 in fund balance. Withdrawing the \$795,000 would reduce this to \$520,574. While the Finance Director has some concern if there were to be an emergency and we were to have to open a fourth well. However, the likelihood of that is remote and the difference is tolerable. The Director of Water and Sewer and the Town Attorney will be present at the August 19, 2015 meeting to review this process during my report. This is also an opportunity for Town Councilors to ask any questions they may have.



To: Steve Fournier, Town Administrator
 From: Sean T. Greig, Supt. Water/Sewer
 Date: July 16, 2015
 Re: MacIntosh Well Project

Recommendation

The Town seeks approval to use Water Department Surplus and Capital Improvement Funds to cover the MacIntosh Well Project Deficit of \$795,000.00.

The Newmarket Water Department to install new observation wells around the Bennett and Sewall Wells to determine the efficiency of the two wells.

The Water Department moves from Stage Two to Stage Three of the Newmarket Water Management Plan. Stage Four restrictions may be required later in the summer.

The Town should evaluate restrictions on new water service connections.

MacIntosh Well Bids and Budget

The Town has received five bids to install a transmission water main, and construct a well building and a blending facility for the MacIntosh Well Project. Waterline Industries of Seabrook New Hampshire submitted the lowest bid price of \$2,121,677.00. The table below is a summary of the bid results.

Table 1

	Bidder Name	Total Base Bid	Bid Alt 2-1	Bid Alt 2-2	Total Bid
1	Waterline Industries	\$1,987,677	\$65,000	\$69,000	\$2,121,677
2	Apex Construction	\$2,131,400	\$55,000	\$60,000	\$2,246,400
3	Kinsmen Corporation	\$2,243,000	\$60,000	\$60,000	\$2,363,000
4	Penta Corporation	\$2,317,200	\$42,000	\$42,000	\$2,401,200
5	Kingsbury Corporation	\$2,434,000	\$55,000	\$55,000	\$2,544,000

The approved project budget by Town vote in March of 2013 is \$2,502,600.00. The Town has spent \$710,364.00 of the \$2,502,600.00 project budget. The table below summarizes the project expenditures to date.

Table 2

Land Purchase	\$87,937
Advertisements	\$1,377
PSNH	\$111,350
Directional Drill	\$233,725
Engineering	\$271,700
Total Expenditures to Date	\$706,089

Based on the lowest bid price and the expenditures to date, the approved project budget does not have enough funds to complete the project. Table 3 below shows that the project budget is deficient \$832,441.00.

Table 3

Project Budget (Town Vote)	\$2,502,600
Total Expenditures to Date	\$706,089
Lowest Bid Price (Waterline Industries)	\$2,121,677
Construction Administration/Oversight	\$352,000
Contingency	\$118,000
Total Project Budget	\$3,296,766
Total Project Budget Deficiency	(\$795,166)

I have reviewed the data and have found that the project budget is insufficient for the following reasons:

The project has experienced delays. The Town vote for the project was in March of 2013. The Town Council selected to redo the engineering selection process. The Town Council formed a committee with Town Councilors and Town staff to select an engineer for the MacIntosh Well Project. The committee selected Hazen and Sawyer, and a contract was approved by Town Council in the fall of 2013. In July of 2014, the Town Council could not come to an agreement with Lane Cheney to purchase property necessary to complete the design for the blending facility. In the spring of 2015, the Town Council signed a purchase and sales agreement for the land from Lane Cheney, and the project went out for bids. Bid prices have increased due to inflation and the improved economy. DBU Construction, the company that is performing the directional drill under the wetlands for the MacIntosh Well Project, indicated that the directional drill cost would have been approximately 25% less than two years ago.

Weston and Sampson preliminary project cost estimate was significantly under the lowest bid for construction of the well pump house, blending facility and modifications to the distribution system, and the horizontal directional drill. Table 4 compares the Weston & Sampson's preliminary cost estimate with the actual bid prices. The Weston & Sampson Cost estimates in table 4 include inflation and contingencies for each item.

Table 4	Weston & Sampson	Bid Prices	Delta
Well Pump House	\$153,031	\$265,000	-\$111,969
Horizontal Directional Drill	\$90,686	\$233,725	-\$143,039
Blending Facility and Distribution System Improvements	\$1,284,579	\$1,648,877	-\$364,298
Total			-\$619,306

Table 5 below is the Opinion of probable cost presented by Weston & Sampson to the Newmarket Town Council at the Newmarket Town Council Workshop in December of 2012. At a later meeting, \$100,000.00 was added to the Opinion of Cost to design and construct the blending facility building to have the ability to be expanded for additional treatment.

Table 5

<h2>Opinion of Probable Cost</h2>			
<i>Task</i>	<i>Pump Direct</i>	<i>Blending Cost</i>	<i>EDR Cost</i>
1 Easements Protective Radius	\$6,000	\$6,000	\$6,000
2 Electric Service to Well-Head	\$120,000	\$120,000	\$120,000
3 Well-Head	\$135,000	\$135,000	\$135,000
4 Permit and Construct Blowoff	\$25,000	\$0	\$0
5 Horizontal Directional Drill	\$80,000	\$80,000	\$80,000
6 Treatment Plant Site Work	\$25,000	\$125,000	\$125,000
7 Raw Water Main	\$180,000	\$180,000	\$180,000
8 Electric Service to WTP (Hersey)	\$30,000	\$45,000	\$45,000
9 Water Treatment Plant	\$270,000	\$920,000	\$1,575,000
10 Purchase Water Treatment Plant Land	\$50,000	\$100,000	\$100,000
Subtotal:	\$921,000	\$1,711,000	\$2,366,000
Inflation: 2.5% for 3 years	\$55,600	\$131,600	\$182,000
Subtotal w/ inflation:	\$976,600	\$1,842,600	\$2,548,000
Engineering (20%)	\$196,000	\$370,000	\$510,000
Contingency (10%)	\$98,000	\$190,000	\$260,000
Total:	\$1,270,600	\$2,402,600	\$3,318,000

Current Corrective Action Plan

The Town of Newmarket Water Department is in violation of not having a backup water supply for the Town of Newmarket. The Town entered into an agreement with the New Hampshire Department of Environmental Services (NHDES) to have a new water source, the MacIntosh Well, on line by May 31, 2015. The NHDES is aware that the Town is behind schedule and understands the Town is making every effort to complete the project as soon as possible.

Historical Overview of Water Level Variations in the Bennett and Sewall Wells

Table 5 illustrates the monthly operational (i.e., when the pumps are operating) water levels for the Bennett and Sewall Wells. As can be seen on the Table, the Bennett and Sewall Well water levels during pumping conditions (drawdown levels) are currently reaching the historic lows that occurred in 1996 and 2000/2001. Fortunately, a substantial amount of rain in the fall of 1996 recharged the aquifer so that the wells did not have to be turned off. In the spring of 1997, the well drawdown levels had improved to normal operating levels. In 2000 and 2001 the Town did not receive enough rain to recharge the wells, and Bennett Well was shut down. The water plant on Packersfalls Road was brought on-line to supply the Town with water. The Water Plant was operated until 2005. The water plant cannot currently be used to supply water to the Town because it cannot meet existing State water quality standards for public drinking water supplies.

Table 6

	Sewall Well						Bennett Well					
	1995	1996	1997	2000	2001	2015	1995	1996	1997	2000	2001	2015
January	56	62	57	56	62	54	30	33	26	33	32	29
February	55	63	55	57	62	54	29	33	26	32	33	26
March	55	62	55	58	63	51	29	32	26	32	33	29
April	54	61	54	58	62	57	29	32	25	32	32	30
May	55	59	53	57	62	59	30	31	24	31	31	30
June	55	59	53	58	62	59	30	29	24	31	31	30
July	56	59	55	58	63		31	29	24	31	32	
August	60	59	56	59	63		31	29	24	31	33	
September	62	59	57	60	64		32	29	25	31	33	
October	62	50	57	60	64		32	30	27	32	33	
November	62	58	57	60	62		33	28	28	32	33	
December	62	56	55	60	65		32	27	28	32	34	

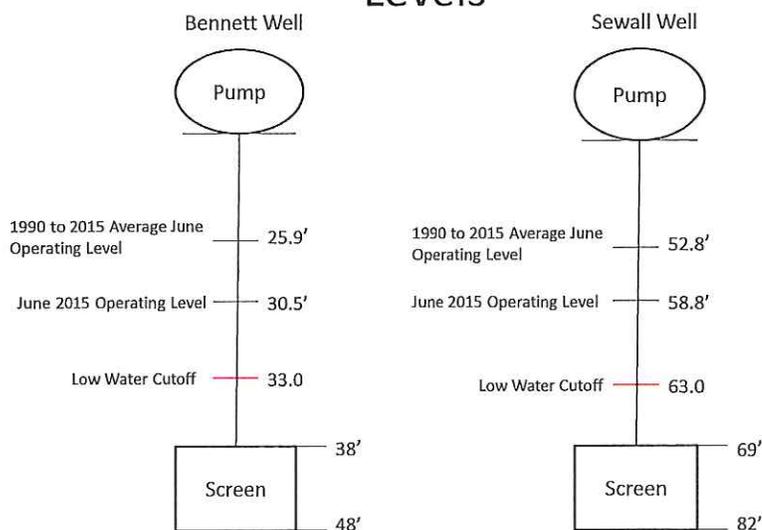
The 25 year average operating drawdown level for the Bennett and Sewall Wells, (as calculated from the information on the above Table) for June is 25.9' and 52.8' respectively. The water levels in the Wells are currently approximately 31 and 59 feet, respectively. Therefore there is only around 2.5 feet of available drawdown left in the

Bennett Well and 4 feet in the Sewell Well. This small amount of available drawdown creates a risk for meeting the water demands of the Town because a relatively short period without precipitation could result in the lowering of the water levels in one/or both of the wells to a point where the well will need to be turned off. This could potentially result in a situation where the Town would not be able to meet the water demands of the water system.

The Newmarket Water Department is working with Emery & Garrett Groundwater Investigations LLC (EGGI) to determine what steps should be taken to insure that the Town's water supply needs can be met. Their preliminary review of the available water use, precipitation, and water level data supports the conclusion that the water levels in the Bennett and Sewall Wells are approaching historic lows and that a risk of having to shut one of the wells off exists *if sufficient precipitation does not occur this summer*. Preliminary Recommendations from EGGI include the following:

- 1) Install one or two monitoring wells in close proximity to the Bennett and Sewall Wells to allow the monitoring of water levels and analyses of the efficiency of the wells.
- 2) Conduct a video log of each well to inspect the condition of the well casing and well screen.
- 3) Establish a long-term monitoring program of the water levels in the aquifer proximal to each well to enable the development of a scientifically based Water Use Management Plan.
- 4) Connect the MacIntosh Well to the Town's Water System to serve as a backup water supply to the Bennett and Sewall Wells.

Bennett And Sewall Well Operating Levels



ENVIRONMENTAL SERVICES
A DEPARTMENT OF
PUBLICS WORKS



INCORPORATED
DECEMBER 15, 1727
CHARTER JANUARY 1, 1991

To: Steve Fournier, Town Administrator
From: Sean T. Greig, Supt. Water/Sewer
Date: August 19, 2015
Re: Resolution 2015/2016-07 Emergency Expenditure of Funds for the MacIntosh
Well Project

It was brought to my attention that the emergency expenditure on resolution 2015/2016-07 for the MacIntosh Well Project is \$832,000.00. The emergency expenditure should be updated to \$795,000.00. The emergency expenditure decrease is because the \$832,000.00 included a draft contract cost for construction administration and oversight for the project construction. The construction administration and oversight contract has been finalized and the result is a decreased emergency expenditure request.

August 12, 2015

Mr. Sean Greig, Superintendent
Town of Newmarket
Water/Sewer Department
4 Young Lane
Newmarket, NH 03857

Subject: Macintosh Well Blending Facility Design Cost and Bidding Assessment

Dear Sean:

As requested, we have assessed the estimates and bids provided for the Macintosh Well Blending Facility. Cost differences were assessed based on the effects of inflation, historical construction pricing, overall engineering service costs, and the expected accuracy of the estimate based on the design phase at which it was presented.

The engineering estimates presented to the Town of Newmarket for the Macintosh Well Blending Facility in December of 2012, and officially for planning purposes in January of 2013, were an inaccurate representation of the overall project cost. The December 2012 estimate was approximately \$752,441 lower than the lowest bid received from multiple contractors in June 2015. It can be seen that the discrepancy between estimated and bidding costs, even when taking into account inflation and industry trends, is due to inaccuracies in the 2012 estimate.

Cost data for this assessment was taken from the "Final Report- Preliminary Design Report Macintosh Well Treatment Alternative Analysis" dated September 2010, the Macintosh Well Treatment Alternatives Pilot Study presentation slides dated December 19, 2012, and the "Final Report- Pilot Study Report- Macintosh Well Treatment Alternatives" dated December 2012. Bids for directional drilling associated with the project were received in March 2015 and bids for construction of the blending facility were received in June 2015.

Inflation

Inflation information was gathered from the Engineering News Record (ENR) 20-City Construction Cost Index (CCI) and the ENR Boston CCI. The ENR CCI is a construction cost index that is published by Engineering News Record monthly. The index number is based on the average cost of a specific combination of labor, steel, concrete, lumber, and several other building materials from different suppliers. The 20 city CCI is formed from data gathered in 20 different cities around the U.S. The Boston CCI uses the same methodology as the 20 city CCI, but focuses on information gathered from the Boston region. The ENR CCI is a long standing and widely accepted means of predicting construction costs and showing inflation.



As shown in **Table 1**, projecting out construction costs to 2015 for actual inflation vs. the 2.5% annual inflation assumed in the 2012 estimate, estimated inflation outpaced actual inflation from the ENR 20 city CCI and the ENR Boston CCI. Inflation for this 3 year period was predicted to be 2.5% compounded annually, but was actually closer to 3.7% total. It can be concluded that the difference between the estimated construction costs presented in 2012, and the results of 2015 bidding, are not the result of inflation.

Historical Directional Drilling Construction Costs

It should be noted that the Wright Pierce projects used to compare directional drilling costs vary from the blending facility project in length, material, depth, soils, and various other conditions. As can be seen in **Table 2**, bid prices, on average for the 2011-2012 period were seen to be \$257 per linear foot for varying lengths. The average price per linear foot used in the 2012 estimate was \$97 per linear foot. Unless considerations were made for favorable conditions at the site unknown to Wright Pierce, the estimate of \$80,000 for 822 LF of 8-inch diameter directional drilling was under estimated.

Engineering Services Costs

We cannot speak for the cost and pricing structure of individual engineering firms, but only from Wright Pierce's cost and pricing structure, as well as industry trends. In general we have not seen an increase in the cost of normal scope design services by any more than the effect of inflation. We believe that this is the general trend industry wide. The cost for normal scope construction administration and observation services varies by the size and type of project, as well as the firm, but is typically between 10% and 15% of construction costs. Engineering design costs are typically between 8% and 12% of construction costs.

Engineering Estimates by Design Phase

Wright Pierce, as well as many other engineering firms, uses the AACE Cost Estimate Classification System to classify the accuracy of our estimates based on the phase of design and intended use of a project estimate. It is our understanding that the December 2012 estimated costs were presented in January 2013 for project budgeting. According to the AACE Cost Estimate Classification Matrix for the Process Industry (see attached), this estimate would have been classified as a Class 3 estimate for use in budget authorization or control. A class 3 estimate comes with an accuracy range of -20% to +30%.

The 2012 total estimated blending facility project cost, with engineering services, contingency, and 3 years of 2.5% inflation, was \$2,402,600. Assuming the generator alternates were not included in this original estimate, total 2012 costs would have been \$2,536,600. According to AACE, the actual project costs after bidding, using this estimate, could have been anywhere between \$2,029,280 at the lowest and \$3,297,580 at the highest. Actual project costs after bidding came to \$3,297,766, roughly 30% over the original estimate. The differential is at the threshold of the maximum variance anticipated. Ideally, estimates given for project budgeting should be within 10-15% of actual project costs.

Mr. Sean Greig
August 12, 2015
Page 3 of 3



Summary

The December 2012 estimated costs presented for construction of the Macintosh Well Blending facility in January 2013 are considered to be inaccurate even when factoring in inflation, industry trends, and accepted practices.

Sincerely,

Wright-Pierce

A handwritten signature in blue ink that reads "Dylan Thisse". The signature is written in a cursive, flowing style.

Dylan Thisse, PE
Project Engineer

DBT/als

cc: Rick Davee, Vice President

TABLE 1

Inflation Cost Comparison				
Cost Item Description	2012 Estimate for Budgeting*	Projected From 2012 Subtotal Cost w/ENR 20 City Inflation	Projected From 2012 Subtotal Cost w/ENR Boston Inflation	Actual Costs From Bids and Expenditures to Date
Year	2012	2015	2015	2015
Construction/Capital Cost	\$ 1,756,408.61	\$ 1,738,646.00	\$ 1,691,347.00	\$ 1,987,677.00
Contingency	\$ 190,000.00	\$ 202,540.00	\$ 197,030.00	\$ 118,000.00
Directional Drilling	\$ 86,151.25	\$ 85,280.00	\$ 82,960.00	\$ 233,725.00
Total Expenditures to date**	\$ -	\$ -	\$ -	\$ 472,364.00
Engineering Design & CA	\$ 370,000.00	\$ 394,420.00	\$ -	\$ -
Hazen Sawyer Engineering CA	\$ -	\$ -	\$ 409,013.54	\$ 352,000.00
Alternates***	\$ 134,000.00	\$ 134,000.00	\$ 134,000.00	\$ 134,000.00
Total Project Cost	\$ 2,536,560	\$ 2,554,886	\$ 2,514,351	\$ 3,297,766

*accounts for inflation for 3 years to 2015 per 2012 estimate for construction and directional drill costs, Without generators. Including Land Purchase and PSNH in construction cost. Does not include advertisements,

**Does not include directional drilling. Includes engineering design, land purchase, advertising, and PSNH.

***Assumed not included in original December 2012 estimate

ENR 20 City CCI inflation December 2012 to June 2015= +6.6%

ENR Boston CCI inflation December 2012 to June 2015= +3.7%

TABLE 2

Historical Trends for Directional Drilling Bid Results						
Project Location	Year	Diameter (inches)	Length (LF)	Avg. Unit Bid Price (per LF)	With ENR 20 City CCI inflation to 2015***	With ENR Boston CCI inflation to 2015***
Rye, NH	2011	10	60	\$ 277	\$ 291	\$ 302
Cornish, ME	2012	14	50*	\$ 166	\$ 169	\$ 181
Jaffery, NH	2012	18	50*	\$ 348	\$ 354	\$ 379
Jaffery, NH	2012	18	100	\$ 270	\$ 275	\$ 294
Groton, MA	2015	14	400	\$ 225	\$ 225	\$ 225
			Average	\$ 257	\$ 263	\$ 276
For 822 LF of Directional Drilling				\$ 211,336	\$ 216,189	\$ 227,027

* Through Rock

** For Bids received by Wright Pierce for various projects. Does not account for varying conditions as may be seen in the blending facility project.

*** Not Compounded Annually

ENR Boston CCI Inflation March 2011 To March 2015 = 9%

ENR Boston CCI Inflation March 2012 To March 2015 = 4%

ENR 20 City CCI Inflation March 2011 to March 2015 = 5%

ENR 20 City CCI Inflation March 2012 to March = 2%

November 29, 2011

of other industries, such as pharmaceutical, utility, metallurgical, converting, and similar industries. Specific addendums addressing these industries may be developed over time.

This addendum specifically does not address cost estimate classification in non-process industries such as commercial building construction, environmental remediation, transportation infrastructure, hydropower, "dry" processes such as assembly and manufacturing, "soft asset" production such as software development, and similar industries. It also does not specifically address estimates for the exploration, production, or transportation of mining or hydrocarbon materials, although it may apply to some of the intermediate processing steps in these systems.

The cost estimates covered by this addendum are for engineering, procurement, and construction (EPC) work only. It does not cover estimates for the products manufactured by the process facilities, or for research and development work in support of the process industries. This guideline does not cover the significant building construction that may be a part of process plants.

This guideline reflects generally-accepted cost engineering practices. This addendum was based upon the practices of a wide range of companies in the process industries from around the world, as well as published references and standards. Company and public standards were solicited and reviewed, and the practices were found to have significant commonalities. These classifications are also supported by empirical process industry research of systemic risks and their correlation with cost growth and schedule slip^[a].

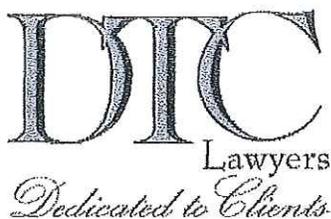
COST ESTIMATE CLASSIFICATION MATRIX FOR THE PROCESS INDUSTRIES

ESTIMATE CLASS	Primary Characteristic	Secondary Characteristic		
	MATURITY LEVEL OF PROJECT DEFINITION DELIVERABLES Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges ^[a]
Class 5	0% to 2%	Concept screening	Capacity factored, parametric models, judgment, or analogy	L: -20% to -50% H: +30% to +100%
Class 4	1% to 15%	Study or feasibility	Equipment factored or parametric models	L: -15% to -30% H: +20% to +50%
Class 3	10% to 40%	Budget authorization or control	Semi-detailed unit costs with assembly level line items	L: -10% to -20% H: +10% to +30%
Class 2	30% to 75%	Control or bid/tender	Detailed unit cost with forced detailed take-off	L: -5% to -15% H: +5% to +20%
Class 1	65% to 100%	Check estimate or bid/tender	Detailed unit cost with detailed take-off	L: -3% to -10% H: +3% to +15%

Notes: [a] The state of process technology, availability of applicable reference cost data, and many other risks affect the range markedly. The +/- value represents typical percentage variation of actual costs from the cost estimate after application of contingency (typically at a 50% level of confidence) for given scope.

Table 1 – Cost Estimate Classification Matrix for Process Industries

Table 1 provides a summary of the characteristics of the five estimate classes. The maturity level of definition is the sole determining (i.e., primary) characteristic of Class. In Table 1, the maturity is roughly indicated by a % of



CELEBRATING 30 YEARS OF SERVICE TO OUR CLIENTS

MICHAEL J. DONAHUE
CHARLES F. TUCKER
ROBERT D. CIANDELLA
LIZABETH M. MACDONALD
JOHN J. RATIGAN
DENISE A. POULOS
ROBERT M. DEROSIER
CHRISTOPHER L. BOLDT
SHARON CUDDY SOMERS
DOUGLAS M. MANSFIELD
KATHERINE B. MILLER
CHRISTOPHER T. HILSON
JUSTIN L. PASAY
NICOLE L. TIBBETTS
ERIC A. MAHER
PATRICK O. COLLINS

OF COUNSEL
NICHOLAS R. AESCHLIMAN

RETIRED
ROBERT B. DONOVAN

ROBERT A. BATTLES
(1951-2010)

August 18, 2015

Stephen Fournier, Town Administrator
Town of Newmarket
186 Main Street
Newmarket, NH 03857

**Re: MacIntosh Well Bids Higher Than Projected
RSA 32:11, Emergency Expenditures May Be Authorized by NH DRA**

Dear Steve:

It is my understanding that for reasons not within the Town's control, bids on the MacIntosh Well project have come in higher than had been originally budgeted by approximately \$795,000.

Given the Town's water needs and its existing water resources, I also understand the MacIntosh Well project must move forward, and so the question becomes how can the Town proceed with the project under the circumstance where the total project costs will exceed the monies that have been appropriated for this project.

N.H. RSA 32:11 establishes a framework for N.H. municipalities to address this type of over-expenditure issue. It provides that when an "unusual circumstance arises during the year which makes it necessary to expend money in excess of an appropriation which may result in an over expenditure of the total amount appropriated for all purposes at the meeting...the Selectmen [Town Council]...upon application to the Commissioner of Revenue...may be given authority to make such expenditure, provided that:

- the application must be made prior to making the expenditure.
- the budget committee has approved the application in writing;
- the application shall designate the source of revenue to be used.
- the Commissioner shall not have the authority to increase the Town's tax rate to fund the over-expenditure."

DONAHUE, TUCKER & CIANDELLA, PLLC

Exeter Office: 225 Water Street, P.O. Box 630, Exeter, NH 03833, 603-778-0686

Portsmouth Office: 111 Maplewood Avenue, Suite D, Portsmouth, NH 03801, 603-766-1686

Meredith Office: 56 NH Route 25, P.O. Box 214, Meredith, NH 03253, 603-279-4158

www.dtclawyers.com

I spoke with Newmarket's DRA Municipal Services liaison, Jamie Dow, and she added that the application also requires the Town to fill out the MS-4E form, and all that is required on the form is to state that the \$795,000 is coming from the Town's water fund. She added that when the application has been signed and is complete, it can be scanned to her and to the Commissioner's office.

Also attached is a draft Resolution for the Council to take action on.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

DONAHUE, TUCKER & CIANDELLA, PLLC



John J. Ratigan
jratigan@dtclawyers.com

JJR:nes
Enclosure
cc: Sean Greig

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CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council
Resolution #2015/2016-08
Relating to Withdrawal of School Impact Fees

WHEREAS, the voters approved the purchase of property at 216, 218, 220, and 204½ South Main Street to address new or an additional high school facility at the March 13, 2012 school district election; and

WHEREAS, the school district has determined the property to be a health and safety risk and is in urgent need of rehabilitation; and

WHEREAS, this property will be suitable for the expansion of parking, buildings and athletic fields; and

WHEREAS, the district has a balance of \$60,571.39 and is requesting to withdraw funds for a \$66,350 project to be completed by Newmarket Public Works Department, to burn and demolish buildings, remove all debris, and to fill and remove all foundation walls/concrete pad throughout the entire property.

NOW THEREFORE BE IT RESOLVED, the Newmarket Town Council does authorize the expenditure of school impact fees not to exceed \$60,571.39 for the clearing and cleaning of debris.

First Reading:	August 19, 2015
Second Reading:	September 2, 2015
Approval:	September 2, 2015

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.



RECEIVED

JUL 30 2015

TOWN OF NEW MARKET
ADMINISTRATOR'S OFFICE



APPLICATION FOR APPOINTMENT TO A BOARD,
COMMISSION, OR COMMITTEE POSITION WITHIN THE
TOWN OF NEWMARKET

Applicant's Name: MARIANNE HANNAGAN

Address: 127 Hersey Lane Phone/Cell 603-531-7439

RSA 669:19 Newmarket Registered Voter: Yes No # of Years as Resident: 30
RSA 91:2 Are you an American Citizen? Yes No

Email address: mhannagan4@gmail.com

Full membership (3 year term) position applying for Conservation

State what the new term expiration date is: March 2017

Alternate position (3 year term) position applying for _____

State what the new term expiration date is: _____

I feel the following experience and background qualifies me for this position: Life long resident of N.H.; Graduate Degree from U.N.H.; Thirty year resident of Newmarket; Active in NH Audubon; believe in sustainable development (ecology - ecology - politics + culture); Active in environmental protection and I love Newmarket. I want to help protect our township.

(need more room, please use the back)

Marianne Hannagan
Signature

7-28-15
Date

You are welcome to submit a letter or resume with this form. Applicants are requested to attend the Council meeting to address the Town Council prior to the decision making process. Applicants will be notified of the time and date of this meeting in advance. Thank you for your application and interest in the Town of Newmarket.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council
Resolution #2015/2016 - 09

CREATION OF A WEATHER/EMERGENCY EXPENDABLE TRUST FUND

WHEREAS: Pursuant to NH RSA 31:19-a and Newmarket Town Charter Section 5.4, the Town Council as legislative body of the Town of Newmarket has authority to create trusts and reserve funds that may be needed from time to time, and

WHEREAS: The Town Council deems it necessary to address unforeseen costs associated with weather emergencies, natural disasters and other emergencies that may be declared by proper authority.

NOW THEREFORE LET IT BE RESOLVED BY THE NEWMARKET TOWN COUNCIL, That the Town Council approves the creation of a Weather/Emergency Expendable Trust Fund and name the Town Council as the agent to expend. The purpose of this expendable trust is to pay for unforeseen costs associated with natural disasters, weather emergencies, and other emergencies that the Town Council may deem fit.

First Reading: September 2, 2015

Second Reading:

Approval:

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council
Resolution 2015/2016 -10

**Authorizing the Town Administrator to Enter into an Agreement for Granite Curb Stone
on Bennett Way**

- WHEREAS:** the Town of Newmarket wishes to construct sidewalks on Bennet Way in two phases, the first phase being from route 108 1,500 lineal feet for an estimated \$88,000 and the second phase of 1,600 lineal feet from the end of phase one to the intersection of Hersey Lane would for an estimated \$112,000, and
- WHEREAS:** part of this proposal would be the installation of granite curbing, and
- WHEREAS:** the Town of Newmarket solicited for written quotes for granite curb stone for the first phase of the proposed Bennett Way sidewalk construction, and
- WHEREAS:** two qualified New Hampshire suppliers submitted proposals, and
- WHEREAS:** after evaluating the proposal the Public Works Director recommends the proposal submitted by Tri State Curb for 1,500 LF at \$16.80 per LF, for a grand total of \$25,200.

**NOW, THEREFORE, BE IT RESOLVED BY THE NEWMARKET TOWN COUNCIL
THAT:**

The Newmarket Town Council does approve the Town Administrator to enter into an agreement with Tri State Curb for granite curb stone, not to exceed twenty-five thousand and two hundred dollars (\$25,200).

First Reading: September 2, 2015

Second Reading:

Approval:

Sponsored by:

Philip Nazzaro, Town Council Chair

Toni Weinstein, Town Councilor

Amy Burns, Town Councilor

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.

INTEROFFICE MEMORANDUM

TO: STEVE FOURNIER, TOWN ADMINISTRATOR
FROM: RICK MALASKY, PUBLIC WORKS DIRECTOR
SUBJECT: BENNETT WAY SIDEWALK
DATE: 8/26/2015

Bennett Way is 3,100 lineal feet in length from the intersection of Route 108 to the intersection of Hersey Lane. The cost to install granite curb and a five foot bituminous sidewalk from route 108 to the driveway of building seven which is 1,500 lineal feet would be \$88,000. This estimate includes all cost to construct a new sidewalk such as granite curbing, pavement, drainage improvements, relocation of other utilities, landscaping, pavement markings, etc.

The remaining 1,600 lineal feet from building seven to the intersection of Hersey Lane would cost \$112,000 with today's numbers. This section would be constructed with the same materials as the first phase.

This work will not be able to be completed in this construction season if a decision was made to move forward at this time.

Please let me know if you have any questions or require any additional information regarding this matter.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council

Resolution #2015/2016-11

**Authorizing the Town Administrator to Enter into an Agreement with Bell & Flynn of
Stratham, NH for Paving of Ash Swamp Road**

WHEREAS, the Town of Newmarket solicited paving proposals for surface course of Ash Swamp Road and other future projects from three paving companies, and

WHEREAS, the following companies provided proposals:

Item Description	Bell & Flynn, Inc.	Pike Industries, Inc.
Road reclaim and fine grade	\$1.65/SY	\$3.00/SY
2" Bituminous concrete binder course	\$72.00/Ton	\$78.00/Ton
1½" Bituminous concrete surface course	\$75.00/Ton	\$78.00/Ton
Shoulder gravel	\$30.00/CY	\$50.00/CY
Hand pave	\$125.00/Ton	\$150.00/Ton

WHEREAS, Bell and Flynn, Inc. submitted the proposal most advantageous to the Town.

NOW, THEREFORE BE IT RESOLVED, that the Newmarket Town Council does hereby authorize the Town Administrator to enter into an agreement with Bell and Flynn, Inc. for paving services.

First Reading: September 2, 2015

Second Reading:

Approval:

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council

Resolution #2015/2016-12

Replacing the Backstop at Beaulieu Little League Field

WHEREAS, The Beaulieu Little League Field back stop is deteriorating and the bottom of the fence has become a safety concern, and

WHEREAS, the three companies submitted the following cost proposals to replace the entire backstop, add an overhang, and add netting:

Company Name	Amount
Fences Unlimited, Inc.	\$15,514.00
125 Fence, Inc.	\$19,347.45
GC/AAA Fences, Inc.	\$17,697.00

WHEREAS, Fences Unlimited, Inc. is the low cost bidder, and

WHEREAS, the Recreation Facilities Capital Reserve Fund has a balance of \$168,300 as of July 31, 2015.

NOW THEREFORE BE IT RESOLVED, that the Newmarket Town Council does authorize the Town Administrator to enter into an agreement with Fences Unlimited, Inc. for replacing the back stop at the Beaulieu Little League Field and to approve the withdrawal of \$15,514.00 from the Recreation Capital Reserve Fund.

First Reading: September 2, 2015

Second Reading:

Approval:

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE
By the Newmarket Town Council

Resolution #2015/2016-13

Replacing the Infield Dirt at Beaulieu Little League Field

WHEREAS, The Beaulieu Little League Field infield has a safety concern that is from divots and holes in the infield grass, and

WHEREAS, the three companies submitted the following cost proposals to remove the existing dirt and replace it with a new infield mix:

Company Name	Amount
WJ Smallwood Landscaping	\$13,890.00
Hillside Landscaping, Inc.	\$6,923.00
Sports Turf Specialties, Inc.	\$12,984.92

WHEREAS, Hillside Landscaping, Inc. is the low cost bidder, and

WHEREAS, the Recreation Facilities Capital Reserve Fund has a balance of \$168,300 as of July 31, 2015.

NOW THEREFORE BE IT RESOLVED, that the Newmarket Town Council does authorize the Town Administrator to enter into an agreement with Hillside Landscaping, Inc. for replacing the infield dirt at the Beaulieu Little League Field and to approve the withdrawal of \$6,923.00 from the Recreation Capital Reserve Fund.

First Reading: September 2, 2015

Second Reading:

Approval:

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.

CHARTERED JANUARY 1, 1991

FOUNDED DECEMBER 15, 1727



TOWN OF NEWMARKET, NEW HAMPSHIRE

By the Newmarket Town Council

Resolution #2015/2016-14

Replacing the Infield Dirt at Beanie Howcroft Memorial "D-Field"

WHEREAS, The Beanie Howcroft Memorial "D-Field" infield has a safety concern that is from divots and holes in the infield grass, and

WHEREAS, the three companies submitted the following cost proposals to remove the existing dirt and replace it with a new infield mix:

Company Name	Amount
WJ Smallwood Landscaping	\$24,070.59
Hillside Landscaping, Inc.	\$10,900.00
Sports Turf Specialties, Inc.	\$11,282.22

WHEREAS, Hillside Landscaping, Inc. is the low cost bidder, and

WHEREAS, the Recreation Facilities Capital Reserve Fund has a balance of \$168,300 as of July 31, 2015.

NOW THEREFORE BE IT RESOLVED, that the Newmarket Town Council does authorize the Town Administrator to enter into an agreement with Hillside Landscaping, Inc. for replacing the infield dirt at the Beanie Howcroft Memorial "D-Field" and to approve the withdrawal of \$10,900.00 from the Recreation Capital Reserve Fund.

First Reading: September 2, 2015

Second Reading:

Approval:

Approved: _____
Philip Nazzaro, Chairman Newmarket Town Council

A True Copy Attest: _____
Terri Littlefield, Town Clerk.