

Town Council Minutes November 7, 2012 BM

TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL BUDGET MEETING
NOVEMBER 7, 2012 7:00 P.M.
COUNCIL CHAMBERS

PRESENT:

Council Chairman Phil Nazzaro

Town Administrator Steve Fournier

Council Vice Chairman John Bentley

Councilor Mike LaBranche

Councilor Al Zink

Councilor Ed Carmichael

Councilor Dan Wright

Councilor Gary Levy

1. Council Chairman Nazzaro called the meeting to order at 7:02 p.m., followed by the Pledge of Allegiance. Councilor LaBranche moved to seal the minutes of the non-public session. Councilor Carmichael seconded. Town Administrator Fournier polled the Council. Motion carried unanimously, 7-0.

2. PUBLIC FORUM: NON-AGENDA ITEMS ONLY

Council Chairman Nazzaro opened the public forum at 7:04 p.m. As there was no public comment, the public forum was closed at 7:04 p.m.

3. PUBLIC HEARING: Resolution #2012/2013-19, Final Closure of the Wadleigh Falls Sewers and Pump Station Project

Council Chairman Nazzaro read the resolution, and opened the public hearing at 7:05 p.m. As there was no public comment, the public hearing was closed at 7:05 p.m.

Councilor LaBranche moved to adopt Resolution #2012/2013-19, final closure of the Wadleigh Falls sewers and pump station project. Council Vice Chairman Bentley seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0.

4. TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES:

A. Councilor LaBranche moved to accept the minutes of the October 17, 2012 workshop as written. Councilor Zink seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion passed

unanimously, 7 – 0.

B. Councilor LaBranche moved to accept the minutes of the October 17, 2012 non-public session as written. Councilor Zink seconded. As Councilor Bentley had some changes to the minutes, the motion and second were withdrawn. The minutes will be discussed in non-public session at the conclusion of the business meeting.

5. REPORT OF THE TOWN ADMINISTRATOR: Town Council goals and objectives for FY2012, status of progress

Town Administrator Fournier asked that candidates remove political signs especially since there might be a need for snow plowing. He commended staff efforts in setting up the polls and working during the election. He thought he would move the report on goals and objectives to workshop sessions in the future to allow time for discussion. He gave an update on action items.

1. Revising Town Council rules: This was done on the 3rd.

2. Updating the town municipal code: A committee has been formed of the Town Clerk, Administrative Assistant, the Town Planner, Chief of Police and himself to see what is missing, what needs to be updated, and what should be repealed. They will be getting quotes for a professional firm for codifying. Should that be too costly, they could look into having a UNH master's student assist with this.

3. Revising the Administrative Code: A first draft has been prepared. He is working on department structure revisions, as a part of the upcoming updates to the municipal code.

4. Revising the Town Charter: There is a resolution to create a Charter Commission on the meeting agenda.

5. Adopting new operating procedures: This is on-going. In the future, there will be more structured suggestions for Council review to amend policies and ordinances.

6. Improving the finances of the town: A review of the chart of accounts to reflect common operating procedures is being worked on as part of the budget process with a target of early January for completion. The first draft of the purchasing code is complete and is being revised with finance. Work on revisions of the personnel policy has not begun. Revision of fund balance policy was adopted on 10/17/2012. Regular financial reporting is on-going.

7. Improving communications: IT is working on the web site and the town is on social media, Facebook and Twitter, both of which were used along with email to provide updates on Hurricane Sandy. Nearly 700 people have signed up for email blasts, and they were looking for a different company to provide these. He said they were going to provide meeting agendas of all committees to those who wish to subscribe. He said they were still looking at ways to provide a hard copy of quarterly newsletters and whether it would be more cost effective to produce them in-house or outside.

8. Economic development: A Committee has been established, and the Council will consider an additional appointment later in the meeting's agenda. He will be meeting with the Chairman of the Planning Board on Friday to discuss scheduling a first meeting of the Committee. He had met with NCDC on Monday to discuss their goals, procedures and charges.

Council discussion: Councilor Levy thought they should distribute the newsletter through the internet, and if anyone wanted a hard copy it could be printed at the town office. He felt mailing might be too costly. Town Administrator Fournier said he intended to start as Councilor Levy suggested. Council Vice Chairman Bentley said the newsletter could also be available at places around town, such as the library or school. Councilor Zink reminded them that there were some citizens with professional credentials in communications who had offered to help, and he will share the names with the Town Administrator.

Councilor Levy asked what was meant by advertising the benefits under economic development. Town Administrator

Fournier said that was one of his goals, but he would probably change that to establishing what they want to do. He said before they did PR advertising the benefits of locating or continuing business in Newmarket, they needed to insure that they directed advertising toward the types of business they wanted to encourage. Councilor Levy said that could be established by the Economic Development Committee with feedback by constituents.

Council Chairman Nazzaro pointed out that in the recently completed budget sessions they had not included funds for a newsletter. The newsletter could be done in-house using the internet, but he agreed with Council Vice Chairman Bentley and Councilor Levy that there also had to be cost effective provisions for distributing hard copies. In reference to the goals of doing the basics right and economic development, he thought that when reviewing ordinances, they should look at those that might prevent economic growth and development. Councilor Zink said he hoped the community would hold the Council accountable for making progress towards its goals.

6. OLD BUSINESS

Council Chairman Nazzaro said there was a series of 3 resolutions involving establishing a Water Surplus Capital Reserve Fund, transferring money from the Water Fund, which is surplus money in that fund, into the Water Surplus Capital Reserve Fund, and then transferring that to the General Fund. Later in the meeting there will be a resolution to use monies in the General Fund to reduce the tax rate. He said this was going to seem similar to the process that the Council had discussed in March to use General Fund dollars to cover the cost of capital improvements to water and sewer in the Downtown Project. In March, the resolutions did not pass because of concerns about depleting the Water Fund. Since then, Acting Finance Director Matt Angell had found \$580K in the Water Capital Reserve Fund that had been misappropriated and should have been in the Water Fund. The correction was made, and now the Water Fund is significantly over-funded. He said that following the thought process from March, but with more in the Water Fund, they could now agree that there was more in this fund than was required, and that there was work done as part of the downtown project that improved water and sewer infrastructure. Some of that money could appropriately go toward those improvements and a portion could then be used to reduce the tax rate.

Town Administrator Fournier said that the Council would have to vote to suspend the rules on the 3 resolutions as both required 2 readings. In addition, Resolution 2012/2013-30 would require a unanimous vote and should it not pass, the next 2 resolutions would be moot. Council Chairman Nazzaro said they would discuss all 3 resolutions together:

A. Resolution #2012/2013-30 Establishment of a Water Surplus Capital Reserve Fund

B. Resolution #2012/2013-31 Transferring Water Fund Surplus to the Water Surplus Capital

Reserve Fund

C. Resolution #2012/2013-32 Transferring Funds from the Water Surplus Capital Reserve Fund

Councilor Levy said they wanted to transfer \$204K at this point. At the time of the discussion in March, they thought there was about \$960K in the Water Fund, and about \$360K in the Water CIP. Mr. Angell said the proposal had been to transfer \$535K from water surplus to the Water Capital Reserve and then to the Main Street Project to close it out. Councilor Levy stated that some on the Council had concerns that this would leave the balances in the Water Fund and Water CIP too low. He said that now there was about a million dollars in the Water Fund and \$600K in the Water CIP. They had taken about \$480K out of the Downtown TIF to pay off the Downtown TIF and then took \$197K from the Water CIP.

He asked if they could take some more from the Water Fund and/or Water CIP and increase the \$204K to bring more tax relief. Town Administrator Fournier said this could not be done. They could transfer more of the surplus in the Water Fund to the Water Surplus Capital Reserve Fund. However, the auditors said they could not transfer those additional funds to the Downtown Project and hence to the General Fund because any reimbursement must equal the amount spent on the project. The Council had originally authorized expenditures of \$1,090,132 on the water improvements in the project, and \$957,935 was expended. There were 2 Council resolutions: one for \$498,244 from the Water Capital Reserve Fund and one for \$198,297. In 2007, the \$498,244 came from the Water Capital Reserve to reimburse the TIF.

Council Chairman Nazzaro said the memo they had stated that the amount of money that was paid by the TIF for the water project was the cap on the amount that could be moved to the unreserved fund balance. Councilor Levy said that it would then have been inappropriate or illegal to transfer \$565K as was suggested in March. Town Administrator Fournier said he did not know about illegal, but the auditors would have found it inappropriate. He said only the amount that was expended, not the amount authorized, could be refunded to the General Fund. The 2 previous resolutions had transferred part of the expenditures, and the \$204,948.95 equaled the remainder. Councilor Levy reiterated that if they took any additional money from the Downtown TIF, they would exceed the amount actually used for water upgrades.

Council Chairman Nazzaro asked for a motion to suspend the rules allowing them to vote with just one reading. Councilor LaBranche so moved. Council Vice Chairman Bentley seconded. Town Administrator Fournier asked if the motion was for all 3 resolutions. Council Chairman Nazzaro said it was for all 3: Resolution #2012/2013-30 Establishment of a Water Surplus Capital Reserve Fund, Resolution #2012/2013-31 Transferring Water Surplus to the Water Surplus Capital Reserve Fund, and Resolution #2012/2013-32 Transferring Funds from the Water Surplus Capital Reserve Fund. Councilor LaBranche so moved and Council Vice Chairman Bentley seconded. Town Administrator Fournier said he had recommended that the rules be suspended as they could not wait to do this as the tax rate had to be set. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

A. Resolution #2012/2013-30 Establishment of a Water Surplus Capital Reserve Fund

Council Chairman Nazzaro read the resolution in full. Town Administrator Fournier said they would open the fund with \$1.00 to show a paper trail of the transfers in and out. They would leave the \$1.00 in the Fund and keep it open for future contributions towards handling emergencies.

Councilor LaBranche moved to adopt Resolution #2012/2013-30 as read. Council Vice Chairman Bentley seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

B. Resolution #2012/2013-31 Transferring Water Fund Surplus to the Water Surplus Capital

Reserve Fund

Council Chairman Nazzaro read the resolution in full. Council Vice Chairman Bentley moved to accept Resolution #2012/2013-31, transferring Water Fund surplus to the Water Surplus Capital Reserve Fund. Councilor Zink seconded. Discussion: Council Chairman Nazzaro said there was no reason that the Water Fund should be as high as this was based on water users' rates. Town Administrator Fournier said that now that there is a Water Surplus fund, they can transfer excess funds to it and use the money. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

C. Resolution #2012/2013-32 Transferring Funds from the Water Surplus Capital Reserve Fund

Council Chairman Nazzaro read the resolution in full. Councilor LaBranche moved to adopt Resolution #2012/2013-32 as read. Council Vice Chairman Bentley seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0.

D. Resolution #2012/2013-34 Authorizing the Town Administrator to Enter into a Contract with

Municipal Resources Inc. for General Assessing Services

Council Chairman Nazzaro said they would need a suspension of the rules to vote on the resolution. Councilor LaBranche so moved. Councilor Zink seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

Council Chairman Nazzaro read the resolution in full. Council Vice Chairman Bentley moved to accept Resolution #2012/2013-24, authorizing the Town Administrator to enter into a contract with Municipal Resources, Inc. for general assessing services. Councilor Zink seconded.

Discussion: Town Administrator Fournier said that since the Town Assessor had retired, he had sought bids for the same level of service. The contractor would work 1 day a week plus 25 floater days for the \$30,800. There would be additional costs of \$150 for abatements appeals to the BTLA and additional hourly costs if the appeal goes to Superior Court. He had budgeted \$40K for FY2014. There were 6 proposals, the highest being \$85,035 and MRI submitted the lowest bid. There was a savings by contracting this service. He said this contract was for the fiscal year, at which point it could be reviewed. Councilor Levy asked if the rules were suspended because it was imperative that they do this, which Town Administrator Fournier confirmed. The RPFs were identical for all who submitted proposals, even though there was a large difference in costs, although some included services that they were told the town did not need. There is \$3K in the budget for a summer employee to do pickups. Town Administrator Fournier said this needed to be passed this evening because they needed an Assessor to run the tax warrant to send out the tax bills. DRA had reviewed the proposals.

Councilor Levy asked if the number could go up if they had a significant number of abatements. Town Administrator said that abatement appeals to BTLA would cost \$150. Abatements that go to Superior Court incur an hourly fee and require an attorney, but that is rare. Council Chairman Nazzaro asked what calculations were done to determine that \$8,200 would cover the number of abatements expected. Town Administrator Fournier said that in looking at past history, they had a number of abatements and a few court cases in the past few years, but he suspected they were due to a spike in tax rates. He thought that with an Assessor on board, most of these abatements could be fixed before going to the BTLA. He said with the spike, the amount had been about \$45K, so he felt comfortable with \$40K. He said all the applicants had been given the number of past abatements.

Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

E. Resolution #2012/2013-24 Relating to the Use of Fund Balance to Reduce the Tax Rate

Council Chairman Nazzaro read the resolution in full. Councilor LaBranche moved to adopt Resolution #2012/2013-24 as read. Council Vice Chairman Bentley seconded.

Discussion: Town Administrator Fournier said there were 3 amendments that could be applied to the resolution, but that the 3rd one would be a policy decision of the Council. He stated that with the \$204,949 that had earlier been added to the General Fund, the unreserved fund balance was now \$1,567,576.53, which was \$551,562 above the 5% mark. He recommended using \$300K of unreserved fund balance to reduce the tax rate. This would result in a 6.2% decrease or about \$.40 off the tax rate. DRA had estimated the town portion of the rate at \$6.68 per thousand, which would drop to about \$6.27, compared to \$7.03 last year. There also is \$136K coming from fund balance for the DPW/ Fire building project. He said that leaving more than 5% in fund balance would mean they could do something similar next year, but that was a policy decision to be made by the Council. He emphasized that when budget numbers are really tight, there is less in fund balance.

Councilor LaBranche said that based on that information, he would like to amend his motion and change the amount from \$150K to \$399K. Council Vice Chairman Bentley seconded the amended motion.

Discussion: Councilor Zink expressed support of the Town Administrator's suggestion to retain some of the fund balance this year toward the future to prevent future tax rate spikes. Councilor Wright agreed that using fund balance to reduce the tax rate could be a double edged sword. Town Administrator Fournier agreed that they needed a buffer, and he felt that retaining 6.2% would provide that. He confirmed Councilor Levy's statement that money from both TIF districts had been put in fund balance. The maximum they could use while reducing fund balance to 5% would be \$551,265 for a \$.74 reduction in the tax rate, while using \$300K would result in a \$.40 reduction. He said, in response to Councilor Levy's question, that the estimated over-all tax rate would be \$24.30 without the reduction which is a decrease from this year's \$25.31.

Councilor Levy asked Town Administrator Fournier if they used \$400K as a figure in between the amount in fund balance and the amount in the amended motion, and stayed within the tight budget, what his concerns would be for a spike in the

tax rate the following year. He answered that they would still have to cover the \$136K, and if they took \$400K from fund balance they would have 5.7% in reserve. That would leave then just enough to cover the \$136K. He said he was preparing a warrant to eliminate the \$136K now and in the future, but he had to plan in case it didn't pass, even though there was no benefit to the taxpayer in not passing it. Based on passage, Councilor Levy said he felt uncomfortable not using a little more of fund balance. The warrant can pass by a simple majority, and will be discussed at the deliberative session. He said he would like to use another \$100K and use \$400K to reduce the tax rate. Councilor Carmichael agreed with Councilor Levy.

Council Chairman Nazzaro said he was in agreement with lowering the tax rate as much as possible, but he had 2 concerns. He remembered that they had bought down the tax rate too many times so that people did not know how much their services were costing. He was also concerned that this might cause the spiking effect. Councilor Levy said he was trying to meet in the middle and not use it all to reduce the tax rate. In response to Council Chairman Nazzaro's question, the tax rate 2 years ago was \$22.00. He said the rate was higher last year, and with this budget they were going to somewhere between \$23.90 and \$23.70. He asked that if the warrant passes for \$136K, what they would have for a buffer. Mr. Angell said the \$136K was coming from a restricted fund balance account not from unrestricted fund balance. If \$400K were used to reduce the tax rate, they would only have whatever was remaining in the surplus. This could lead to an increase in the tax rate the following year, unless the town had increased revenue or turn back of appropriations.

Councilor Wright was concerned that people don't read through warrant articles. Councilor LaBranche asked how much one-time money that they would not see again was in fund balance. Mr. Angell replied that the \$204K from the earlier vote and the money from closing the Black Bear TIF were one-time funds. Councilor LaBranche said that the additional \$100K would only reduce the tax rate by 13¢ to 14¢. He was concerned that having cut the budget to level funding from the previous year and knowing that they would not be able to depend on one-time funds, they would not have as large a fund balance in the future. He said he would prefer that they vote on the motion on the table. Councilor Zink said the rightful criticism they had received was in reference to the spike in the tax rate, and for that reason, he felt they should be conservative and use the \$300K to prevent a recurrence.

Councilor Levy said they were not going to have the one-time money from the 2 TIFs. However, the town warrant articles this year would include the dollar amounts affecting the tax rate. He stressed that they had to stay within their budget. He thought that in the event of catastrophe it would not matter if they had \$150K or \$250K in fund balance. He asked that if they stayed within the budget they were going to set, the flat to actuals, and revenues came in as expected, was there any reason other than calamity that would cause a spike in the tax rate the following year. Mr. Angell said that using \$400K this year meant that they would have less to reduce the tax rate the following year, and that if revenues and expenditures came in as expected there would be nothing to add to fund balance. He said there would be a gradual increase in the tax rate until the surplus was gone. Councilor Levy said in his opinion, they did not know about the future, but that taxpayers needed help now. He felt the \$100K meant more to people in their pocket now.

Council Chairman Nazzaro asked how much of the surplus was from unexpended budget items. Mr. Angell wasn't sure, but said that \$480K came from the Black Bear TIF and that \$204K came from the vote earlier in the meeting relating to the Downtown TIF. Council Chairman Nazzaro said they were coming in with a budget that was flat from the year before, and anything that was over-budgeted for savings had been removed. He said he understood Councilor Levy's point. Councilor Levy said there was a good chance that the Black Bear TIF was not legally closed. He said that money had been set aside for a decade or so. They bought a piece of the Wilson property for \$600K, and that was taxpayer money that could not to be used for a long time and now it had come back. He said the budget was close to what they had spent in 2012 and budgeted for 2013. He said that if things turn sour, they were going to have to find money anyway, and he felt that \$100K would mean more to the taxpayers than it would to take care of a calamity.

Council Chairman Nazzaro said his point was not in having \$150k or \$250K available in the event of catastrophe, but in having enough in savings to prevent a spike in the tax rate next year. He thought maybe there could be a number between \$300K and \$400K. Councilor LaBranche asked what the fund balance was last year when they set the taxes. He knew that they had added \$480K from the Black Bear TIF and he assumed they had started with \$600K. The fund balance was now at one million eighty. He said they were dealing with \$1.362 million and they were taking \$300K. He said that in essence, they would wind up in the same place next year. Mr. Angell said, as a rough estimate, they began with \$350K. About \$700K had been added from unexpended funds the Black Bear TIF closure and the vote for \$204K earlier in the meeting.

Mr. Angell said that between the 2012 and 2013 budgets they had cut about \$600K, which was more than they thought, and were not going to have that money coming back in, especially because they were proposing a tighter budget. Town Administrator Fournier said the Council had adopted a policy that said they would have between 5% and 10% in fund

balance. If they used \$300K, they would retain 6.2%, but if they used \$400K, the figure would decrease to 5.7%. He said that 7.5% would be average, and the safety valve in the policy said if they went below 5%, they would have to budget the difference. Councilor Levy stated that people did not want to see a spike, but he felt this would not happen unless it was absolutely necessary. He thought that an additional \$100K would mean more to the taxpayers. Councilor Zink said to him this was not quantifiable, but qualitative, as the question involved how much they wanted to keep in their savings. He thought that given Newmarket's history, the reduction in state funding, rising costs and a tight budget, they owed it to the taxpayers to budget conservatively and use \$300K to reduce the tax rate. He felt any more would put them on the edge.

Councilor Carmichael agreed with Councilor Levy that they should use \$400K. Council Vice Chairman Bentley reminded them that the problem with the town's rising share of pension costs would continue to increase. He said he could see both sides of the issue, and proposed a compromise of \$350K. Council Chairman Nazzaro agreed with the \$350K to help the current taxpayer and prevent major spiking to the future taxpayer. DRA will set the tax rate when the Council decision is made. Councilor Wright said he could agree with \$350K. Councilor LaBranche moved the question on the motion for \$300K. Town Administrator Fournier said that procedurally, they should amend the motion to a different number, because if they voted down the resolution, they would have to re-introduce another resolution at another meeting.

Councilor Levy made a friendly amendment that they use \$375K to reduce the tax rate. Councilor Carmichael seconded. Discussion: Town Administrator Fournier said this would leave fund balance at 5.9% with a 50¢ reduction in the tax rate. All things being equal, there would be \$176K left to reduce the tax rate 24¢ the following year, or a 26¢ increase in the tax rate over this year. Councilor Levy said if they couldn't do the same next year, at least the taxpayers would have had a benefit this year. Council Vice Chairman Bentley hoped the taxpayers would have a good memory.

Vote on the amendment from \$300K to \$375K: Town Administrator Fournier polled the Council. Councilors Levy, Wright and Carmichael voted in favor, while Councilors LaBranche and Zink, Council Chairman Nazzaro and Council Vice Chairman Bentley voted against. Amended motion failed 3 – 4.

Council Chairman asked what they would have if they cut the fund balance in half. They would have \$375K plus the \$176K or half of \$550K for \$275K. Councilor LaBranche moved to amend the motion from \$300K to \$350K. Council Vice Chairman Bentley seconded. Discussion: Town Administrator Fournier said this would amount to a 47¢ reduction in the tax rate. Councilor LaBranche said although there was only a 3¢ difference, he was trying to make an amendment that the Council could agree on and a unanimous vote was important to him. Council Vice Chairman Bentley agreed.

Town Administrator Fournier polled the Council on the amendment to change the amount for \$300K to \$350K. Amended motion passed unanimously. 7 – 0.

The Council next voted on Resolution #2012/2013-24 with the amount amended from \$150K to \$350K. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0. This means a reduction of \$1.47 in the municipal side of the tax rate.

F. ADOPTION OF FY2014 OPERATING BUDGET

Town Administrator Fournier had made reductions to cover the additional allocations made during the Nov. 3rd budget review of \$12K for codifying ordinances and \$15K for town attorneys and keep the zero tax increase. The \$4K donation to Seacoast Hospice was eliminated because it is no longer a non-profit organization; bus trips were level funded to \$38,027, which would save \$4,473; solid waste general supplies was reduced from \$23,250 to \$20K for a savings of \$3,250; and ambulance revenues were increased by \$10K. This would result in a zero increase in next year's tax rate and a 1% increase in budget expenditures to \$9,158,403 which would be offset by additional revenues, decreasing overlays from \$150K to \$100K and adding in war service credits. The net appropriation for the town would be \$4,741,034. Last year's net appropriation was \$4,741,865, but there was a minimal reduction in valuation for the town which is why they were even. The expenditures came in about \$90K or 1% higher, but will be offset by an increase in revenues and a decrease in overlays which results in a zero percent tax increase. Councilor Levy asked what would happen if revenues did not come in as expected, and Town Administrator Fournier said they would hold off on spending and roll those funds into fund balance. Those funds would then be available to offset any decrease in the revenue. Councilor Levy stressed that they had worked hard and well on keeping the budget at actuals, and hoped the rest of the side of the town was as focused on the budget as it was important to the taxpayers.

Councilor LaBranche moved to accept the FY2014 budget as presented with a budget of \$9, 158,403. Councilor Levy seconded. There was no further Council discussion. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0. Council Chairman Nazzaro reiterated Councilor Levy's statement that the Council had worked well together on this. Councilor Levy asked if the Council could be given the plan for distributing the \$50K in bonuses. Town Administrator Fournier said they would not be handed out until sometime between January and June of 2014, but he will make the information available. He added that if there was an issue with spending, even though he would not want to do it, that would be an item that they would look at. The plan would be based on performance level on set goals.

7. NEW BUSINESS:

A. Council to Consider Nominations, Appointments and Elections

Councilor Levy nominated Bill Arcieri as a full member to the Economic Development Committee. Council Vice Chairman Bentley seconded. Councilor Levy added "for a term of 3 years" to the motion. Council Vice Chairman Bentley seconded. Town Administrator Fournier will get the exact expiration date for the term. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0. Note: the Committee needs one more at-large member, but the Planning Board has been working on this.

B. Ordinances and Resolutions in the 1st Reading: Town Administrator Fournier said these

should be readings only and stay on the table until the next business meeting for public hearing. If the Council wanted a more in-depth discussion of any resolution, he could schedule it for the intervening workshop.

1. First Reading of Resolution #2012/2013-25 Purchase of New Flooring at the Library,

with Funds to be Transferred from the Library Capital Reserve Fund. Council Chairman Nazzaro read the resolution in full.

Councilor LaBranche said, at the next meeting, he would like to see the bids because the amount was over purchasing policy and the work was already being done. Town Administrator Fournier said that procedurally, the library has the authority to expend from their general budget and get reimbursed from their Capital Reserve Fund. It was agreed that in the future, the library should approach the Council before doing work. This item will be put on the workshop agenda for discussion.

2. First Reading of Resolution #2012/2013-26 Placing a Question to the Voters to Establish a Charter Commission. Council Chairman Nazzaro read the resolution in full.

3. First Reading of Resolution #2012/2013-28 Acquisition of Channel 13 Web Streaming Equipment. Council Chairman Nazzaro read the resolution in full.

4. First Reading of Resolution #2012/2013-33 Appropriation of Funds from the Dam Capital Reserve Fund to Wright-Pierce for Engineering Services Association with the Macallen Dam. Council Chairman Nazzaro read the resolution in full.

5. First Reading of Resolution # 2012/2013-29 Transferring \$56,878 from the School Impact Fees to the School District for the Purpose of Buying Out the Modular Building Lease. Council Chairman Nazzaro read the resolution in full.

Councilor LaBranche said he would like to have this on the workshop agenda for discussion. He had questions on whether this was an allowable use of impact fees and on how much of the amount requested was due to expire.

Superintendent of Schools Hayes will be asked to attend the workshop. Council Chairman Nazzaro said he would also like to hear from the Planning Board as they had suggested an alternative to impact fees.

6. First Reading of Resolution #2012/2013-27 Fiscal Year 2013 Budget Transfers. Council Chairman Nazzaro read the resolution in full.

Council Chairman Nazzaro said the formats of these resolutions differed, with some including first readings and some not, and he would like to see consistency. He added that for the first reading he felt it was unnecessary to have the resolution on a formal document. He said he would like to know at the next business meeting or workshop why certain line items were off.

C. Correspondence by Town Council

1. Approval of All-Hazard Mitigation Plan Update 2012

The plan had been adopted, but needed to be signed. Candy Jarais, Town Emergency Management Director for Newmarket and Kyle Pimento from Stratford Regional Planning were present. She said the plan was usually updated every 5 years, and had been completed with a grant from Stratford Regional Planning. The plan has a conditional approval from FEMA which gives the town the right to ask for grant money. Copies of the plan will be in the town hall and library and she would like to see it on the town's web site. Mr. Pimento said the plan was put together after 3 meetings with the Town Planner, Police Chief and Road Agent. They discussed various hazards and developed plans to reduce risks and determine possible sources of grant funding. They documented flooding and any repetitive loss that had occurred since the last plan was adopted. The plan, once signed, will be sent to FEMA for final approval. The approved plan would make the town eligible to apply for pre or post disaster funds. The Governor had made a disaster declaration for Hurricane Sandy so Newmarket had submitted its paperwork. The Federal government would fund 75% of approved work, the State 12.5% and the town 12.5%. Mr. Pimento said that the plan was 75% federally funded with the remainder made up of town staff participation. Mr. Pimento said the previous plan did not include power outages and train spills, so those hazards had been added to the new plan.

2. Approval of Emergency Operations Plan 2011

The plan was updated by Hovey Consulting and needs signatures for approval so it can be sent to the state for approval. This has to be filed with the state for the town to get disaster assistance. The plan deals with the everyday operations during specific disasters, and can be adjusted per incident. This plan details department responsibilities. It will be available to the public at the town hall, library and Town Administrator's office and she hoped on the web site. Council Vice Chairman Bentley asked about an earlier proposal to purchase cots, but they were not purchased because of the cost. Ms. Jarais said she was also part of the Exeter Area Shelter Committee and they had been talking about a regional shelter program because there are many qualifications and training required. During Hurricane Sandy the North Hampton shelter was designated for the region. She said there was the possibility of opening up a shelter in Newmarket and they were seeking volunteers to be trained. She said they could use the Community Center, which has a generator, with the school as a back up.

D. Closing Comments by Town Councilors

Council Vice Chairman Bentley said they had discussed disbanding of the Energy Committee and he would like to have a motion at the next meeting. He thought it was great that so many residents had voted.

8. ADJOURNMENT – Correction: Next Meeting will be the November 14, 2012 Workshop

Council Vice Chairman Bentley moved to enter non-public session under RSA 9-A; 3 II. Councilor LaBranche seconded. There was no Council discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0, and the Council entered non-public session at 9:00 p.m.

The Council re-entered public session at 9:04 p.m. Councilor LaBranche moved to approve the minutes of the October 17, 2012 non-public minutes. Council Vice Chairman Bentley seconded. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

Councilor LaBranche moved to adjourn. Council Vice Chairman Bentley seconded. Motion carried unanimously. Meeting was adjourned at 9:05 p.m.

Respectfully submitted,

Ellen Adlington

Recording Secretary