

Town Council Approved Minutes May 15, 2013 WS

TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL WORKSHOP
MAY 15, 2013
TOWN COUNCIL CHAMBERS

PRESENT:

Council Chairman Gary Levy, Council Vice Chairman John Bentley, Councilor Dan Wright, Councilor Phil Nazzaro, Councilor Larry Pickering, Councilor Dale Pike, Councilor Ed Carmichael

Town Administrator Steve Fournier

PLEDGE OF ALLEGIANCE

Council Chairman Levy opened the meeting at 7:00 p.m., followed by the Pledge of Allegiance.

PUBLIC FORUM

Council Chairman Levy opened the Public Forum at 7:01 p.m. As no one came forward to speak, he closed the Public Forum at 7:01 p.m.

TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES

May 1, 2013 Business meeting:

Council Vice Chairman Bentley moved to accept the May 1st, 2013 business meeting minutes as written. Councilor Carmichael seconded. Councilor Pickering asked that Spring Street be changed to South Street on page 3 of the minutes. Town Administrator Fournier polled the Council. Motion carried 5 – 0 – 2, with Councilors Nazzaro and Pike abstaining as they had not attended the meeting.

May 1, 2013 Non-Public Session:

Council Vice Chairman Bentley moved to accept the May 1st, 2013 non-public minutes. Councilor Carmichael seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried 5 – 0 – 2, with Councilors Nazzaro and Pike abstaining as they had not attended the meeting.

REVIEW OF DEPARTMENT REPORTS

Town Administrator Fournier said they were reviewing the tax exempt status for non-profits and other organizations. As the Assessor had questions compliance questions with some, he would be sending out the qualification form for updates. On April 25th, Town Administrator Fournier and Councilor Pickering, along with former Selectman Jerry Langdon of Epping walked the town lines to inspect the 3 markers separating Newmarket and Epping, one of which also separates the 2 towns from Lee. This is required every seven years by state law. He had been approached by Lee to perambulate borders as well. A homeowner had moved the stone marker which separated the 3 towns, as well as Rockingham County and Strafford County. The area has been surveyed and the border is now marked by a surveyor's pin. The Town of Epping has sent the information to the Rockingham County Attorney's office. The town will receive an estimated

\$27,000 from FEMA to offset about 75% of Newmarket's costs for the February 13, 2013 blizzard. This will help with the Public Works overages. FEMA funds cover costs for the date of the storm, but not for cleanup efforts after.

The Economic Development Committee had reviewed a two-phased proposal from consultant Peter Kwaas which help in completing and implementing Chapter 6 of the Master Plan on future land use. The first phase would be to prepare an economic and resource analysis of Newmarket including employment trends in the surrounding areas and growth opportunities for the town. He would evaluate the town's resources including business assistance, existing infrastructure, possible development sites and the current real estate market. This phase would cost \$3,500. Phase two would entail assistance to the Committee in implementing land use changes focusing on economic development while developing strategy and an action plan, including marketing. This phase would cost \$6,000. As the total cost of \$9,500 was within the Town Administrator's spending limit, he asked to carry out the Committee's recommendation and hire Mr. Kwaas.

Questions and discussion: Councilor Pickering said this was not the first Economic Development Committee in Newmarket, and probably would not be the last. He said paid studies had been done in the past, adding that there were many such studies at Town Hall. He wanted to insure that this new study would not duplicate other information that had been gathered as he didn't want to pay twice for the same information. He felt that some of the older information could be revised. He asked if he could have access to all the other prior paid studies that were at Town Hall, and Town Administrator Fournier said he could. He added that this new study would have a different focus and Mr. Kwaas would work with the Committee to help it reach its goals. He said this Committee had a different focus as it was looking at what Newmarket wanted, and the study would include community input as part of its work. Council Chairman Levy added that he would take into account what suited Newmarket and the area and, to his knowledge, in the last decade or so, those previous studies had not considered how Newmarket fit into the surrounding area. He said he had not seen all the studies, but doubted that they contained this information. He said the Planning Board Chairman felt the information would allow them to complete Chapter 6.

Councilor Pickering asked if they were 100% sure that some of the information they were requesting didn't already exist in a previous study. He had been on a previous Economic Development Committee some time ago and said there was a paid consultant on the payroll. Town Administrator Fournier said the town already had some of the information suggested in Mr. Kwaas proposal, and removing that part had reduced the cost of the study. He said if they had the data, they certainly would not pay for it again. Councilor Carmichael asked when Mr. Kwaas would begin his work. Council Chairman Levy said if the contract was approved, he was hoping to set up a meeting for June, and he expected the work to be complete in 60 – 90 days. He asked Town Administrator Fournier to look at some of the past studies. He felt that if the Planning Board had that type of information, they would have included it in Chapter 6. He said that Mr. Kwaas would be acting as a facilitator and not just an information gatherer.

Council Vice Chairman Bentley, agreeing with Councilor Pickering's concerns, asked that Town Administrator Fournier look at all the information available to determine if there was any duplication before hiring Mr. Kwaas. Town Administrator Fournier said if he found information, rather than paying for it to be gathered again, he would suggest that it be revised and the money used for something else. Council Chairman Levy said if he found any duplication he could let them know. Council Chairman Bentley said he didn't want to delay this for 2 weeks, and thought the Town Administrator could let them know within a few days. Councilor Pike said he felt the consultant would have expertise not only in how Newmarket fits into the area, but how Newmarket can determine and implement its aspirations. He said for that to happen the information has to be fresh to be meaningful. To Councilor Nazzaro's question, Council Chairman Levy said that facilitating was included in phase 2 of the proposal.

Council Vice Chairman Bentley asked if they could receive copies of the tax exempt list, as last year there were questions about some on the list. Town Administrator Fournier will make the list available. Councilor Nazzaro asked if someone could look at the impact of offering tax exemptions or reductions to senior citizens as he thought it would be the right thing to do. Town Administrator Fournier will have the Assessor look into this, adding that this had become an issue in some towns as it was beginning to affect the bottom line of the budget. Council Chairman Levy, referring to page 20 of the packet, said it was reported that police calls were up 40% and he wanted to know the call types. Town Administrator Fournier will get the information. He then asked when Bruce Mayberry's report on the proposed M-2 zoning change would be complete. Town Administrator said that he and Town Planner Hardy were in the process of reviewing the draft for omissions. He said the Council should have the report within a week. Council Chairman Levy asked about the report on the Macallen Dam. The Planning report said the consultant cost than \$82,382 and they were expecting \$40,000 from a grant. He asked where the town's share would come from. Town Administrator Fournier said a CIP had been established to cover the cost, but at this time, although the planning department was still looking, there were no other grants.

Councilor Pickering asked if the tax-funded Rockingham Sheriff's Office could help with some tasks in Newmarket to help

lighten the load on the Police Department. Town Administrator Fournier said that if they were wanted to help with patrols, for example, it would have to be discussed with them, but he didn't know what their load was. Councilor Pickering said the Fire and Rescue budget expenses were 20% lower (78%) than the previous year (98%), and asked if they could expect any large ticket items or if it was over-budgeted. Town Administrator Fournier did not anticipate any large ticket items and added that sometimes there were fewer calls, but he wasn't sure if that was the case, so he would look into it. He asked if the DPW inspected and fixed rust spots on existing vehicles to forestall purchasing new ones as he felt they should be frugal. Town Administrator Fournier said that DPW and Water/Sewer were doing that now when the vehicles were not in service and additionally, they had a power washer to clean the salt and sand off the surfaces. Councilor Pickering said he had received questions about the schedule for cleaning up debris/litter along the roadsides. Town Administrator Fournier will find out when this is planned.

Councilor Nazzaro said he was glad to see the previous year's expenditures included in the department reports, and added that he felt it was time to get projections for year-end to help in decisions for reallocating funds. He felt that Fire and Rescue may have been overspent the previous year, rather than under spent this year. Council Chairman Levy added that if the expenditures were prorated, the department should finish within 5% of its budget. Town Administrator Fournier will ask for projections for the next reports. There was no IT report because the Department Head had a death in the family. Councilor Nazzaro noted that welfare was greatly under spent and asked if people were not informed about the program or if it was grossly over-budgeted. Town Administrator Fournier said the town had a new Welfare Director who had been finding assistance through other agencies. He added that the budgeted amount for FY14 had been greatly reduced from what was allocated for FY2013. Councilor Nazzaro asked how much of the \$42,382 that the town would spend for the Macallen Dam consultant would go against the \$45,000 approved warrant article a few years ago. Town Administrator Fournier said it all would, and the June workshop would include a presentation on the dam.

Councilor Nazzaro commended the Town Administrator and Department Heads on under-spending their budgets, noting that they would have an option of returning money to the taxpayers, but also he hoped some funds could be put toward spring cleanup as this was a service people were demanding. He believed in the past this had cost about \$30,000, but no money had been budgeted in FY 2013 or FY2014 for this service. Town Administrator Fournier said he was very aware of this and was looking into it, but felt that whatever could be done, would most likely be in the fall. Councilor Pickering thanked Recreation Director Hilton for making a bus available for senior citizens without transportation so they could attend the monthly meal at the Senior Center. He said this was much appreciated and he hoped it could continue. Council Chairman Levy asked that revenues for vehicle registration and building permits be reported with the dollar amount and the percentage over budget for consistency. Councilor Nazzaro said he would like to see charts for revenues included in the report as well as charts on expenditures. Town Administrator Fournier said there was a revenue chart on page 59 of the packet, but some of the revenues were not broken down by source. Council Chairman Levy said they were being given much more information than they ever had been in the past, which seemed to express the sense of other Council members.

TOWN COUNCIL TO CONSIDER REPORTS FROM COUNCIL REP COMMITTEES

COUNCILOR PICKERING, BUDGET COMMITTEE: The Budget Committee had met on April 29th. Meg Louny-Moore will be the Alternate School Board Rep when Cliff Chase is absent. There were 2 candidates for the one open position on the Committee: Michael Lang and Rose-Anne Kwaks. Mr. Lang was elected by a vote of 5 – 4. The Committee discussed the earnings reports for town and school employees in the Town Report. Some figures included payments beyond regular earnings, and it was felt that this should be noted in the report for fairness and consistency. The Committee discussed insurance contributions for the school and town. For school employees hired before 2007, the school pays 89% of the cost and the employees contribute 11%; for those hired after 2007, the school pays 85% and the employees pay 15%. This was contrasted with the town's contribution rates for its 51 employees; the town contributes 80% and the employees pay 20%, with the exception of 2 employees for whom the town contributes 90%. Chairman Snyder had proposed holding town and school informational budget sessions for the public.

COUNCILOR PIKE, CONSERVATION COMMISSION: The Conservation Commission met on May 9th and spent a good amount of time discussing Macallen Dam. There was discussion on a possible land swap at Heron Point because a trailer had been placed on the wrong part of the lot and access was not where it should be. The half-marathon at Schanda Park had been a great success and the Commission discussed fund raising events such as a fishing derby. They were considering giving a conservation scholarship, and sponsoring a conservation field trip. The Commission will continue its efforts in invasive plant control. Councilor Pike said this had been his first meeting and he was impressed with the dedication of the members. Later he added that the Commission had discussed the report of a tank truck removing surface water from Follett Brook. The Commission had posted signs in the area saying this was not allowed. He had seen a similar sign on Bay Road and said that it was faded and no longer expressed the intent of the town. This will be looked into. There was discussion about finding other areas that might be available for tank trucks to fill up that

would not hurt the town. This will be discussed further at future meetings.

COUNCILOR WRIGHT, PLANNING BOARD: The Planning Board met on May 14th and considered 3 lot line adjustment applications. One was from Newmarket Mills, LLC for the old gas station property where they plan a restaurant. Also, there was an application from 17 Lamprey Park for the trailer that had been placed on the wrong part of the lot. This will come before the Council shortly as it involves town land. The trustee of the estate will cover surveying costs. The third application was to subdivide 206 Gaunet Drive. The Board had previously brought before the Council its idea of changing from Impact Fees to System Development Charges, and the Town Administrator will be contacted to see where the town is at this point. Council Chairman Levy said he remembered the conversation from the previous year, and he thought they were to be given the pros and cons of each along with the differences in revenues. He said in the past impact fees were not being used in a timely manner, and the town had to return a great deal of money. He added that the town would have been in a much better position if it didn't have to refund the fees.

DISCUSSIONS/PRESENTATIONS:

DISCUSSION ON ELECTRICITY PROVIDERS, MATT ANGELL:

Council Chairman Levy said this would be a discussion only and the Council would not be taking any action at the meeting. Interim Finance Director Angell handed out a summary regarding electric rates. He said the Council had asked him to find out if the town would incur damage charges if it ended its current contract for \$0.07207 per kWh before the December, 2013 expiration date. The damages were estimated to be between \$16,000 and \$17,000, so he recommended staying with the present contract until it ended. Recently, the school had to find a new provider rather quickly, and the town had joined in the RFP. The school had selected a provider for a 36 month contract at \$0.072 per kWh, but the same company had come in at almost \$0.075 per kWh for the town over their recommended 49 month period. He said he had received a call that day from a company that offered between \$0.065 and \$0.075 per kWh. The general feeling among providers was that rates were going to rise, but there are risks with short-term as well as long-term contracts. Mr. Angell had included information from some of the providers he had contacted.

He said he would like to contact a number of providers and ask them to bid. He said there was a problem with the amount of time required to approve RFPs, and the rates were usually only good for a few days. He recommended that the Council suspend its rules for a second reading, and authorize the Town Administrator to prepare RFPs for the town only, and authorize him to approve a contract before bringing it to the Council. He further recommended that any new contract be aligned with the fiscal rather than the calendar year for budgetary purposes. Town Administrator Fournier said the town had a number of contracts that ended on December 31st, and as contracts expire, one of his goals was to change the ending dates to June 30th. Council Chairman Levy said since they had just received the information, they had not had a chance to analyze it. He asked if the quotes of between 6 and 7 cents included the PSNH line charge. Mr. Angell said they do not, and that charge would be between 4 and 5 cents. Council Chairman Levy asked if the companies had analyzed usage, and Mr. Angell said he had supplied that information today. Council Chairman Levy suggested that if the rate came in closer to 6 cents, that Mr. Angell analyze the numbers to see if it would be possible to cancel the present contract and not lose money. Mr. Angell said that he doubted that the town would be able to make up the damages in 6 months, and to Council Chairman Levy's next question, he said that damages for breaking the contract were spelled out in the contract. He said the contract did not specify how the damage amount was calculated. He said he felt the rate the town was paying was fair, and the quote he had received was also fair, but he thought they might be able to do better.

Councilor Nazzaro thanked the Town Administrator for attempting to align contracts with the fiscal year. He recommended that the usage analysis be done on a worst case scenario basis. He said he would rather suspend Council rules and vote at a workshop than suspend the purchasing policy rules for the contract. Councilor Wright asked how the providers would be vetted, as the school had a problem with a provider going out of business. Mr. Angell said the school had a viable provider, but the company did not have its funding in order. He said he would have to make sure any provider was licensed and try as best he could to determine that its funding was in line. Town Administrator Fournier said they should also consider using a broker who would appraise rates monthly or quarterly and the Council could determine a not-to-exceed rate. The brokers would be paid for by the providers. He said if the broker determined that the cheapest rate was through PSNH, the town could use them. Mr. Angell said that PSNH was having hearings with the Electric Commission to try to woo back any customers they had lost because of rates and if the hearings were successful, PSNH could be the fall-back position.

Councilor Nazzaro said it would be helpful to set up the RFPs as close to the Council meeting schedule as possible. Mr.

Angell said he could add a phrase that quotes be held for 5 to 10 days. Council Chairman Levy referred to Mr. Angell's informational memo on impact fees which said that Wastewater had an ending balance of \$113,000 and the next deadline is September 27, 2013. Mr. Angell said that as far as he knew, Water/Wastewater Superintendent had a plan for the funds. Councilor Pickering said that since electric rates had been deregulated, the situation had been shaky at best because everything was based on natural gas prices and they were extremely low. He said that providers had been able to make deals, but PSNH was not able to because the Electric Commission required them to run some of their old, less efficient plants. He said that if natural gas prices spike, the town would be back to the prices it originally had. Mr. Angell agreed that there were no guarantees and that all they could do was make the best possible decisions now for the future.

PRESENTATION OF ENGINEERING OPTIONS FOR WASTEWATER TREATMENT FACILITY AND MACINTOSH WELL, SEAN GREIG:

Mr. Greig began with a Power Point presentation which is found on page 69 of the packet. The selection process for engineering for both the well and wastewater treatment facility is determined by NHDES, and towns must select firms from a pre-qualified list and make decisions based on qualifications for the job and not by cost. Once a town decides on an engineering firm, it then can negotiate the scope and fee for the work. The town first has to advertise its request for proposals from the pre-qualified list, review the proposals and conduct interviews. Next, the town would have to rank the firms based on qualifications and interviews, and negotiate the scope and price with the top firm. If negotiations are not successful with the top firm, the town would then negotiate with the next firm, on so on. Once an agreement on scope and fee is reached, the town must submit the proposal to funding agencies for review and approval. Funding sources want to ensure that the scope of the project is complete and that they are not overpaying for the project, and they do comparison reviews with similar projects.

In 2010, the town advertised from the list for engineering services for the wastewater treatment plan and also for the well. (Mr. Greig used the example of the wastewater treatment facility as it was a larger project.) Of the eight firms who attended the mandatory RDF meeting, four submitted proposals. The town offered interviews, and of the four, one refused the interview. Three interviews were conducted by NHDES wastewater operations and design staff as well as town staff. The firms were ranked after the interview process and phone calls were made to other communities to get information about their experience with teams for the project and to verify the selection. Scope and fee negotiations were held and the results were sent to NHDES for its review and approval. This same process occurred for the MacIntosh Well.

As of now, the preliminary studies and engineering phase has been completed for both projects. Underwood Engineers is the engineer of record for the wastewater treatment facility and Weston & Sampson for the MacIntosh Well. Mr. Greig said the Council was at a decision point to enter the scope and fee negotiations with each of the firms for the next phase of the project, and then send the information to RFD and DES for approval or to begin the selection process again. Either way, the Council would have to hold first and second readings before deciding on a firm. He said both projects were on strict schedules and the town could not afford delays. He said he had a good working relationship with both firms and their teams and both were knowledgeable. He added it was common to keep the initial design firms for the design and construction stages as they had a working knowledge of the project, and he recommended that the town continue its relationship with them. He outlined the qualifications of the 3 key members of the team for the wastewater treatment plant. The MacIntosh Well project is at the stage when the town can begin spending money through the state revolving loan. He said the funding for the wastewater treatment plant was a little more complicated and they were working with RFD on the preliminary stage as well as for funding of the next phase. He had looked at models of the projects in Pease, Somersworth and Hanover and had no reservations about the work of either firm.

Discussion and Questions: Council Vice Chairman Bentley said the Mr. Greig seemed satisfied with the work done by the firms. Mr. Greig has a cost figure from one of the firms and said it was in the ballpark of what he expected. Council Vice Chairman Bentley said the report emphasized that time was of the essence, but he felt they had a responsibility to see what else was out there at what cost. Mr. Greig said they would have to negotiate with another firm or series of firms, but they could not necessarily get a lower cost. He emphasized that the selection had to be based on qualifications first and negotiations come after the selection. Councilor Carmichael said at the last couple of meetings he had asked, and Town Administrator Fournier had said, that they were going to get a committee together. The committee would be comprised of 2 Councilors, Mr. Greig, Town Administrator Fournier and 2 representatives from other communities that had worked on the same projects. He said he was under the impression that they were going to get RFPs from some firms. He felt the projects were far too important to rubber stamp, and he wanted to have alternative input for the design reviews. He said that the firms had probably done a good job and Mr. Greig had a good working relationship with them, but he felt they should look at other proposals.

Town Administrator Fournier said this was no rubber stamp and he had no authority to appoint a committee only the Council could do that. He said he had suggested that a committee be appointed to review any proposals. He had asked Mr. Greig to make a presentation to apprise the Council of the entire selection process, where they stood with the current firms and why he would recommend staying with them. He said if the Council chose to go through the selection process that would not be a problem, but first the Council needed to decide whether it wanted to continue and negotiate with the present firms or go out to bid and begin the selection process. He said that once proposals were received, that would be the time to have a committee, and he recommended that the committee continue through the entire project as a reviewing body. He thought the committee should be given the authority to approve change orders, so that they didn't have to continually go back to the Council. He said they were at the point now that the Council had to decide if it wanted to go out for RFPs, and depending on the decision a committee would be appointed to vet proposals and make recommendations to the Council. He said that nothing was off schedule at this point.

Mr. Greig clarified that after the design was complete, the town would be required to hire another engineering firm to look at it because of the cost of the project. Then other engineers from DES and Rural development are required to look at and approve the design. They have to insure that the proposed design will work and not cost more than necessary, as they are contributing toward the funding. Council Chairman Levy said he sort of understood Councilor Carmichael's question, and from the power point demonstration, he felt that Mr. Greig perhaps gave the unintentional impression that he was seeking an outcome rather than a choice. He said they were there to discuss this, and Mr. Greig said he was looking for direction.

Councilor Nazzaro said they were being told that in order to get the state money, they have to choose from a select group, and not ask about the expense of the project. Mr. Greig said that was correct, but all the firms had been prequalified. Councilor Nazzaro said the process seemed ridiculous to him. Council Chairman Levy said he had run into this before and anytime federal funds were to be used, the government wanted to insure that the choice was predicated on qualifications not expense. He said if they were not getting any state or federal money, they could do what they wanted. Councilor Nazzaro said they were not being allowed to consider all engineering firms, and asked if they could ask for historical data and about project overages in the RFPs. Town Administrator Fournier said they could ask for references or for other towns the firm had worked in. Mr. Greig said they could ask the percentage of change orders in the interview process. He said that he felt scope and cost negotiations and subsequent review by DES were required because they wanted to make sure the proposal was complete and to avoid change orders. Councilor Nazzaro said he felt the two firms had done a great job, but he felt, because of the large amount of money being spent, that they should go out to bid. He said he hoped that the 2 firms would be among those submitting proposals. Mr. Greig he was asking for direction now. Councilor Pike remarked that the Council wanted competitive bidding, but the process was that they could not have competitive bidding. Town Administrator Fournier said it was not quite that black and white. He said they would ask for proposals, not from anyone, but from a select group of about 20 engineering firms.

Councilor Pike said it seemed that they had to pick from a group and then negotiate the cost one by one. Mr. Greig said they would rank the firms, and then proceed with negotiations with the top firm. If those negotiations were not successful, they would then negotiate with the second firm, and so on. Councilor Pike said then they would have to know what would be a great price before negotiating and asked if Mr. Greig had received a price yet. Mr. Greig said he had been given a draft cost and scope but had not started negotiating. Councilor Pike asked if he felt he could negotiate down from that price, and Mr. Greig replied that he felt the firm had given a very good price after speaking to other engineering firms and the state. Councilor Pike asked that, even if they did go out to bid, would Mr. Greig rank this firm number one. Mr. Greig said that when he was looking at whether they should or should not go out to bid, he also looked at what team would be provided, the history of what firms charge and their overhead. On that basis he did not think they would get a better price than the one he had. Mr. Greig said there were other good teams, but he would rank the one they had as one of the better ones.

Town Administrator Fournier pointed out that Mr. Greig would be one of a committee going through the process. Councilor Pike said the choice before them was to negotiate with the firms they presently had or to go out to bid, re-rank firms and then negotiate. Town Administrator Fournier said they would go out to bid and he hoped they would get qualifications from their current engineers along with other submissions. The committee would look at the firms and rank them according to their teams and what they were offering. It would be only after ranking that they would negotiate the cost. To Councilor Pike's question, Council Chairman Levy said they could go out to 3 separate firms and maybe get 3 different design opinions. He said he had re-read the 2010 Resolutions from April 3rd packet, and his understanding was they were for study work not design and construction. Mr. Greig said in doing such projects, he does not like to commit to the whole project, but prefers to break it down into pieces in case they are not happy with the work.

Council Chairman Levy said having an RFP was one of his goals. He said his logic was that he would feel more

comfortable knowing the ideas of 2 to 3 other teams because of the \$14.1M cost for design and construction. He said he had the impression from the Power Point presentation that there was a contract in place, but from what he read, there was no contract for design and construction. Mr. Greig said that it was not his intention to imply they had an existing contract. Town Administrator Fournier said that would be for the next Resolution. Council Chairman Levy said this was not just about negotiating price, but other firms might have a different approach. Mr. Greig said he doubted there would be any major changes in what would go into the facility. Councilor Carmichael said he would like to see the committee start soon. Town Administrator Fournier said that it seemed as if the Council was in favor of seeking proposals. He said the committee would be set up while they were waiting for proposals to be submitted, and then the committee would proceed to read the proposals, interview the firms, rank them and make recommendations to the Council. Mr. Greig said the timeline for the entire process would be about 2 months.

Council Vice Chairman Bentley asked how the \$14.1M cost was determined. Mr. Greig said that the estimate came from Underwood Engineering and held up the study that had been completed. He said this was not a proposal, but an estimate based on what had to be done and the costs of the materials involved using standard engineering practices. He said the study was vetted by Rural Development and NHDES. Council Vice Chairman said that through the process they could learn that one firm might be able to complete the project for less than the \$14.1M because, for example, it could work with a smaller profit margin. Town Administrator Fournier said the \$14.1M was not for the engineering, but for the construction companies and they would be the ones to decide if they could operate with a lower profit margin. He said they were still at the design phase. Council Vice Chairman Bentley said that there might be another qualified engineering firm that would take a smaller cut of the money. He agreed with Councilor Nazzaro's point that with such a large project and expense, they owed it to the taxpayers to see if there was anyone else who could complete the project for less. Councilor Nazzaro said that even if they went out to bid, they would never see qualifications lined up with price in any of the proposals and he thought that was wrong.

Mr. Greig said they would only see costs included in with the construction firms. Councilor Nazzaro asked if those bids would be for a fixed cost or for time and materials. Mr. Greig said that generally they would only pay for work that had been completed and materials used, and if the company goes over budget, there would be a not to exceed clause invoked. Councilor Nazzaro asked who sets the criteria that they would use in ranking the engineering firms. Mr. Greig said he had a book they would use for selecting a qualified engineer. Councilor Nazzaro said if they did seek proposals, he would like to see one of the criteria be a round knowledge of the project because knowledge of the project has monetary value. He said the time it would take for a firm to learn all the ins and outs of the project would cost them money. He qualified that he was saying they should single-source the entire project, but he would like that to be one of the criteria. Mr. Greig said the firm that has worked on the project would have an advantage in that criterion, but it was something they considered.

Councilor Wright said that Mr. Greig or someone had come up with the ballpark figure of \$14.1M for the wastewater treatment facility. He said if he was an engineering firm in the business, he would know the ballpark figure. He said if he was a hungry engineering firm, he would look at this, and somehow during the process, would let the town know that this price was somewhat high. He felt this could happen sometime before the selection process was complete. Mr. Greig said this could not happen as they would not know the price until after it was negotiated. He said to confirm his ballpark figure, he discusses it with other engineering firms and also the state can give its opinion. There was a suggestion that, during the interview process, a firm could voice its opinion on the price. Mr. Greig said he had done research to confirm the cost.

Town Administrator Fournier asked how the Rural Development Funds application might be affected if the town chose a different firm. Mr. Greig said it might make the process somewhat more difficult, but they shouldn't lose the funds. He added that during the interview process they would ask about any experience the firms had with RDF including what percentages they had received from the agency. Council Chairman Levy said he had spoken with some other towns and some had done RFPs. He did not think they were unhappy with the decision. Mr. Greig said he had spoken with other towns before putting the presentation together and asked the reasons why some decided to go out to bid. Town Administrator Fournier said if the Council decided to go out to bid, it was not a reflection of Underwood Engineering's performance. He realized that cost was always a factor, but in his experience the firm was good to work with and showed a willingness to go the extra mile.

Councilor Nazzaro asked that if cost couldn't be used as a determining factor, what they would be gaining by going out for an RFQ. Council Chairman Levy felt they could get a different perspective. He said he couldn't see a downside to looking at what a few other firms could offer, as they were doing their due diligence for one of the largest projects the town had ever had. Councilor Nazzaro said he thought they were trying to get something from the process that the process was designed to not allow them to get: a cost comparison. Council Chairman Levy said that when the state goes out to bid, say for a highway, it doesn't always give the bid to the same company. Sometimes a different company will

give a different perspective. He said they follow the same process of negotiating price, and if no agreement is reached, go to the next firm. He said he didn't think it was unusual for towns to go out for RFQs, and Mr. Greig said it was not. Council Chairman Levy said their hands were tied on predicating the decision on price, but he felt they would get different viewpoints and a better understanding of the process. Councilor Nazzaro said that it would be good to get different viewpoints, but the system prevented them from comparing costs and made it impossible to carry out one of the Council's functions, that of watching out for the taxpayers' money.

Mr. Greig said that a lot of the firms have crackerjack teams, but a lot depended on whether the town gets those teams for its projects. Determining the team would come up during the interview process. He stressed the importance of having a team they could work with, as the project would continue for 4 years. He said he would not recommend any firm unless he felt the town would have a great product. He said he had worked with most of the firms, and the two the town have now had put together top notch teams. Councilor Pike asked what they could lose in the RFQ process other than a couple of months. Mr. Greig spoke of some large firms that send in professional interviewing teams, but these would not be the teams that would work with them on the project. He stressed the importance of meeting the teams who would do the work. Town Administrator Fournier said the other thing they would lose is time. He said he realized the Council had asked for the presentation 2 months before, but they had to get through the process to have all the necessary information. He felt they had time to go through the RFQ process, but the Council would have to trust the judgment of committee that is appointed and not get bogged down and drag out the process. He said they would have to go through the process of holding the grant funds until they completed the process.

Council Chairman Levy asked that the committee members be named at the next meeting. The committee would be made up of the Town Administrator, Mr. Greig, 2 of his peers and 2 Councilors. He said it would be his desire to take the recommendation of the committee, and that no one was looking to stall the process. He said he would like to talk to some of the Councilors before naming them at the next meeting. Council Vice Chairman Bentley said there was a breakdown in the \$14.1M cost of the elements it contained, and somewhere there was a listed engineering fee. He said they already knew the fee for the existing firm, company A, but if they went out to bid, they wouldn't know the amount for a different engineering firm. He asked why they could not do that, adding that they were not being forced to go to company A. Mr. Greig said it was difficult to make comparisons, as contingencies were built in to cover such things as inflation.

Council Chairman Levy asked if they interviewed 3 companies, would they be getting the cost for the engineering fee or for the whole plant. Mr. Greig said they would be getting the cost just for the engineering part of the project, which is a percentage of the bid cost. Councilor Nazzaro clarified that they could not ask for costs until after selection and there would be no numbers in the proposals. Mr. Greig said he has asked for scope and hours as an indication of whether the firm was close or far away from what they were looking for in cost. Council Chairman Levy asked if the Council needed to vote on this, and Town Administrator Fournier said it was clear from the discussion that the Council wanted to go out to bid. Mr. Greig confirmed to Councilor Wright that he could spot firms with interviewing teams., and Councilor Wright stressed that since they had no control over price, they only had control over the firm they chose.

Town Administrator Fournier cautioned that if the current firm rebids for engineering, it might not be the same offer they presently have and that was a risk. Council Chairman Levy said he would have no problem selecting Councilors to serve on the Committee, and they could appoint the committee members at the next meeting. In the meantime, the RFQ will be prepared and sent out. The committee will be ready by the time the proposals come back. Mr. Greig said he was required to publish the RFQ in one paper, but he would also send it to the roster of engineers.

FINALIZE COUNCIL GOALS:

Councilors Nazzaro and Pike had not been present at the previous goal setting discussion. The Council had received the goals including a timeline for action or completion. Councilor Nazzaro said, to him, these did not seem like goals that would push them to a certain end state, but tactics and benchmarks or activities. He said all the actions were good, but did not seem organized in a way that would help them realize a goal. Council Chairman Levy said, for example, the month of July included setting up the committee for the MacIntosh Well and wastewater treatment plant, which would be done in working toward the goal of beginning and managing and ultimately finishing the projects. He said in August, the Council would be gathering information to make a decision on how to proceed with the budget. He said having an analysis of all the large properties the town owns in June, would help them decide what to do with the land.

Councilor Nazzaro said he would aggregate this under ensuring that the tax rate was stable, either the same or lower. He said the central goal would be to have a stable tax rate, and these were activities leading them there. He said they should get an idea from Mr. Greig of where they should be with the MacIntosh Well by the end of the year, and pursue

activities to get there. He said he did like this format because it would ensure that they stayed on track with activities. He just wanted to see where they wanted to be at the end of the year to determine if they had achieved that success. Council Chairman Levy said he thought there was an understanding that the activities were all a part of keeping the tax rate flat. Town Administrator Fournier said this timeline was a map or operational activities to reach the goals on the memo distributed at the previous meeting. Council Chairman Levy said they could put a title above each month's activities to relate to the goal. Councilor Pike said they could have a second document prepared or use the one from the previous meeting to show the goals and their related activities, but he felt having the timeline was very helpful.

Council Vice Chairman Bentley said he understood what Councilor Nazzaro was saying, and suggested that they place number codes next to each activity to indicate its relationship to a goal. Councilor Pickering, referring to the April 23rd memo about establishing a lower tax rate, said he did not see looking into regionalizing some police services on the August list. Town Administrator Fournier said he would add that to the list. Councilor Nazzaro said he liked Council Vice Chairman Bentley's formatting idea, as it would show clearly how activities relate to goals. He said another column could be added to the far right that listed the goals with a numbering/lettering system for reference. Town Administrator Fournier will add that to the format and also add a miscellaneous heading for those activities that do not fit exactly within a specific goal. Councilor Pickering thanked the Town Administrator for putting everything together. He said he didn't know where the idea would fit of having discussions with other towns on purchasing larger vehicles together, but asked that it be included. Town Administrator Fournier said that should be an on-going activity and wouldn't really have a deadline so it wasn't included in the timeline. Council Chairman Levy said he liked the idea of relating activities to goals by coding, and added that if they could accomplish everything on the list by November, they would have a very full plate.

Council Chairman Levy said he wanted to clarify an item in the October timeline. He thought that Peter Kwaas might not be the person to evaluate the activity of analyzing available land tracts in the community to determine which properties were good for development, but he might be able to give them some input. He thought they might have to find a land use specialist who could analyze the pros and cons of each parcel in terms of access and financial implications, etc. and give the committee feedback. He added that once the goals and activities were coded, he thought they should be posted on the town's website so the Council could keep track and the community provide input. Councilor Wright said he liked the format, but saw it as an evolutionary process that would get better every year. Town Administrator Fournier said there were only 6 months to accomplish everything on the list, and reminded them that other issues would have to be dealt with during that period. He said he did not want at this point to try to predict what they would be doing in November, and with a town election in March there would be a new Council which would have to determine its goals.

Council Chairman Levy said that many of the activities would help them in the budgeting process. Councilor Nazzaro said these activities would also help drive the agendas toward reaching goals. He said there was nothing on the list that related to trying to find ways of working more closely with the school district as it represented the largest portion of the community tax rate. He wasn't sure if there had been a decision that the time might not be right to explore this. Council Chairman Levy said he was to meet with School Board Chairman Meg Louny-Ryan, but she had to resign from the Board. He said he was waiting for a new Chairman to be selected, and would be more than happy to participate in joint discussions, including the Town Administrator and Superintendent of Schools.

NEW BUSINESS:

Council Vice Chairman Bentley congratulated the 9 members of the Charter Commission and thanked those who ran, adding that it was nice to see some new faces. He said there was a lot of confusion and questions in the community about what the charge of the Commission and what it can and cannot do. Town Administrator Fournier said that he and the Town Clerk were working on an orientation package for the Commission, and they were planning a seminar with Municipal Association attorneys to relate the processes they had to follow and outline what the Commission can and cannot do. This will be televised and the duties of the Commission will be posted on the website. He said he hoped they would also post their activities on the site. The Commission will have an organizational meeting on May 28th, and the Town Clerk has to call the meeting to order and distribute the packets. The Commission has to follow a very strict timeline set by state statute, and this will also be discussed at the meeting.

Councilor Pickering said he had worked with four Town Administrators and was very pleased with getting answers back in a timely fashion from Town Administrator Fournier. However, he had asked that mileage and hour readings be done on vehicles and hadn't heard about the progress. Town Administrator Fournier said they were working on this and he had asked the Acting Finance Director to come up with a town-wide format that they could use. Councilor Pickering said he felt they should continue with the Efficiencies Committee. He said they had a list of suggestions to work on and people willing to serve. He said he would like to see the Committee come up with more suggestions to present to the Council.

Council Chairman Levy said he thought the Committee originally wanted to look into aggregating some expenses for the town and school, and this was difficult to consummate for a variety of reasons, and discussions between the town and the school broke down. He thought the Council would be glad to listen to suggestions, and added that he couldn't speak for the school. He wasn't sure if it was the way the Committee was set up, but he felt there might need to be an intermediate step to help facilitate the suggestions. He said that Councilor Pickering was on the Committee and asked for his sense of what happened. Councilor Pickering said there was bickering between the town and school and they didn't gain a lot of footage there. However, there were other suggestions, specifically converting some vehicles to propane that were stalled. He said everything was in place to use propane in the vehicles. He thought the Committee became bogged down on school/town issues, but there were many other areas that could be looked into. He felt it would be beneficial to have the Committee look into more ways to save money. The Committee had not been decommissioned, and Councilor Nazzaro added that it had been left that the School Superintendent and Town Administrator would work together to find savings. He said he did not think all the savings could be found there, and in addition they should also look at what was being done now that could be done more efficiently and what could be done regionally. He said that they could use the help of more people to help find and study ways to operate more efficiently. He said he would like to see the Committee more active and felt they should be able to perhaps commission to do studies and make recommendations to the Council.

Council Chairman Levy said that his understanding was that there was a question of vehicle warranty being cancelled if it was converted to propane. He said with many of the suggestions, he felt the circle was not closed, which was not the fault of the Committee. The Committee was given no authority, and he understood that other towns had similar committees made up of people who can take action. He said if they had this outside group they would have to make sure there was someone who could make sure all the proposals or suggestions had someone to check details. Councilor Nazzaro said that it was the Council that had to close the loop. The Council didn't get all the information about the propane/auto gas conversion, and it was never determined with any certainty that this would affect the warranty, so they did not proceed to act on the suggestion.

Councilor Nazzaro said he thought they had to leverage the Efficiency Committee as additional capacity for the Council, so that they could accomplish more. He said the Council would have to hold itself accountable to act on recommendations in a timely manner rather than letting them linger on the table. Town Administrator Fournier said the proposals that had come before the Council were not necessarily concrete, but more general ideas that they wanted to run by the Council. He said for any committee to work it had to come up with a concrete recommendation with its pros and cons, which was how he worked. If the vote were a nay, he then would come up with another recommendation. He said he felt this was something the Efficiency Committee could do, as he and the Council cannot study every opportunity. Council Chairman Levy suggested that Town Administrator Fournier post for volunteers for the Committee on the website to see if there was interest.

Councilor Nazzaro said the teams were full for Saturday's golf tournament for the Veterans memorial, but that people could still donate to the cause. He said the phone numbers were on the website. Councilor Pickering asked if the tour of town facilities had been scheduled. Town Administrator Fournier said he would do that and wanted to include the new Budget Committee members as well.

Councilor Nazzaro moved to adjourn and Councilor Pickering seconded. Motion carried unanimously and the meeting adjourned at 9:15 p.m.

Respectfully submitted,

Ellen Adlington, Recording Secretary