

Town Council Approved Minutes October 3, 2012 BM

TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL BUSINESS MEETING
October 3, 2012 7:00P.M.
COUNCIL CHAMBERS

PRESENT:

Council Chairman Phil Nazzaro

Council Vice Chairman John Bentley

Councilor Mike LaBranche

Councilor Ed Carmichael

Councilor Dan Wright

Councilor Gary Levy

Town Administrator Steve Fournier

EXCUSED:

Councilor Al Zink

1. Council Chairman Nazzaro called the meeting to order at 7:05 p.m. followed by the Pledge of Allegiance. Council Vice Chairman Bentley moved to seal the minutes of the previous non-public session. Councilor LaBranche seconded. Motion carried unanimously, 6 – 0. Council consensus was to start with agenda item 6.A.

6. A. PROCLAMATION: Make Your Mark Week October 14 – 20, 2012

Council Chairman Nazzaro read the proclamation. Council Vice Chairman Bentley moved to accept the Proclamation Make Your Mark Week October 14 -20, 2012. Councilor Carmichael seconded. Council Vice Chairman Bentley thanked Linked Together Kids on behalf of the Council. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

2. PUBLIC FORUM: NON-AGENDA ITEMS ONLY

Council Chairman Nazzaro opened the Public Forum at 7:12 p.m. As there were no public comments, the Public Forum was closed at 7:12 p.m.

3. PUBLIC HEARING

A. Resolution #2012/2013-12 Purchase of a Ford Cruiser for the Police Equipment to Include Costs Associated with Replacement of Emergency Lighting, Equipment Set-up and to Withdraw Said Funds from the Police Dispatch Vehicle Capital Reserve Fund

Council Chairman Nazzaro read Resolution #2012/2013-12 by title and opened the Public Hearing at 7:13 p.m. As there

was no public comment, the hearing was closed at 7:13 p.m.

Council Vice Chairman Bentley moved to adopt Resolution #2012/2013-12 relating to the purchase of a Ford cruiser for the police equipment to include costs associated with replacement of emergency lighting, equipment set-up and to withdraw said funds from the Police Dispatch Vehicle Capital Reserve Fund. Councilor Carmichael seconded. Town Administrator Fournier polled the Council. Motion passed 5-0-1, with Councilor LaBranche abstaining as he had not received additional material that he had requested.

B. Resolution #2012/2013-14 Purchase of a Motorola M21 VHF100 Watt Digital Mobile Radio for the Police Department and to Withdraw Said Funds from the Police Dispatch/Radios Capital Reserve Fund

Council Chairman Nazzaro read the title of the Resolution and opened the Public Hearing at 7:14 p.m. As there was no public comment, the hearing was closed at 7:14 p.m.

Council Vice Chairman Bentley moved to adopt Resolution #2012/2013-14 relating to the purchase of a Motorola M21 VHF100 watt digital mobile radio for the Police Department and to withdraw said funds from the Police Dispatch/Radios Capital Reserve Fund. Councilor LaBranche seconded.

Discussion: Councilor Levy asked Chief Cyr the age of the radio that was being replaced. Chief Cyr estimated that it was at least 9 years old. He stated that, in response to Councilor Levy's question from the previous meeting, if the existing radio was installed in the new vehicle at a later date, there would be a labor charge of \$300 to \$500 to replace it when necessary. Anticipated delivery for a new radio would be 3 – 4 weeks, resulting in down time for the cruiser. Functionally, the proposed radio has more power than the existing one, and is interoperable with the state system.

Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

Chief Cyr said that as of Friday there were 2 available vehicles, and he was waiting for a few more quotes on set-up. He expected the new cruiser would be ready in about 2 months. The vehicle being replaced will be stripped and sent to state auction.

4. TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES: SEPTEMBER 19, 2012 WORKSHOP

Councilor LaBranche moved to accept the minutes as written. Councilor Levy seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

5. REPORT OF THE TOWN ADMINISTRATOR – Town Council Goals and Objectives for FY2013-Status of Progress

Town Administrator Fournier said that the state had set retirement system rates for FY2014 and 2015. There are significant increases in group 1, non-public safety employees and group 2, police and fire department employees. Newmarket can expect an \$80,000 budget increase in retirement costs based on current salaries. This is a fixed rate over which the town has no control.

Town Administrator Fournier reported on the Council's 4 goals: 1. Do the Basics Right; 2. Improve town finances; 3. Improve communication; 4. Economic Development.

1. Town Administrator Fournier stressed the importance of this goal, as it has affects the other 3. A review of ordinances and policies showed that some are missing or outdated. Reviewing, amending and implementing these will improve general town operations. He reviewed action items. Proposed amendments to Council procedure rules are an item on this meeting's agenda, including rules for Workshops and Business Meetings. The town needs to revise and update the Municipal and Administrative Codes. A Committee of Department Heads will meet to review the Municipal Code for omissions and necessary updates, comparing it to other municipalities with the same type of government. These new or updated codes will come to the Council over the next few months. The end result will be one volume including all the

town's ordinances. The Administrative Code outlines administration, procedures and policies within the framework of the Town Charter and needs to be updated to reflect actual, current operations. The Charter needs to be reviewed to ensure that it is consistent within itself and state law. He said that most Charters have a statement that every certain number of years a question can be placed on the ballot concerning formation of a Charter Commission. Although he found such phrase in the Municipal Code, there did not seem to be one in the Charter. He further stated that the town needed to institute new operating procedures for all departments. He said this would be especially helpful for one-person departments, which when left vacant, had no reference information to pass along.

2. Town Administrator Fournier stated that within this goal financial reporting had to be improved, so that information could be found quickly. He said the Council should also be receiving monthly revenue, expenditure and forecast reports to detail cash flow. He said the budgeting process needs to be reviewed to present a full picture, including economic data, past and projected data, the actual budget, the 5 year budget, the revenue budget, the full tax impact of passed articles and department and staffing information. Acting Finance Director Angell has developed new forms to include this information. Among the outdated policies and ordinances concerning finances, is the purchasing policy. The policy has to clearly list the level of authority required to approve purchases. Town Administrator Fournier listed the action items to implement the goal. He said the Chart of Accounts needed to be rewritten to reflect common operating procedures within municipalities. Also, the Purchasing Code needs to be rewritten to include details of the bidding and approval process. He said the Personnel Policy needed revision to include a schedule and measurements for formal performance evaluations. He had included this under Improving Finances, as he believed successful evaluations could lead to merit increases if the town could afford them. He stated that Department Heads had been informed he will meet with them in December to go over goals for the remainder of the year. He will meet with them six months into the year to deliver performance evaluations. In June he will met with Department Heads on goals, and thereafter quarterly, and at mid-year conduct evaluations. All meetings will be documented. Revising the Fund Balance Policy to reflect generally accepted accounting principles is an item on this meeting's agenda. The final action item is adequate and consistent financial reporting.

3. Town Administrator Fournier spoke about efforts to improve communications. Newmarket is covered by 2 newspapers, but is not consistent with getting information to them. He said the web site needed updating to be more user-friendly and efficient. His web page is up and running and includes the Code of Conduct as well as his email address and phone number. He said the town needed to establish itself with social media to post notices and important information. A Twitter account has been set up. He said the importance of this was demonstrated when there was no power and people could still receive information on cell phones. He suggested the town email list be revised and used to provide consistent messages, and he felt this method could also be used to distribute agendas or other requested information, including a quarterly newsletter. He also was looking into methods for distributing a quarterly, informational, printed newsletter.

4. Town Administrator Fournier stated he had not spent much time on the economic development goal, but said the Economic Development Committee should be activated. (The Committee is waiting for community members-at-large to volunteer. Those interested may contact the Town Administrator.) Going forward, they need to determine the right type of development for the community and begin to advertise the advantages of locating in Newmarket.

Town Administrator Fournier summed up his report as including what he had seen in his one month as Administrator. Overall, he felt that first working on having an accessible structure in place would make all of the goals more easily obtainable.

Council Discussion: Council Chairman Bentley commended Town Administrator Fournier on his work, and asked if Department Heads would be conducting the same review process with their staff members. They will follow the same schedule. Councilor Levy suggested that steps be eliminated on the web page, so that Council agendas would appear on the front page the week of the meetings. Council Chairman Nazzaro said he was glad they would be using social media, but also that they were including people who had no access to computers. He agreed that Economic Development rested with the success of the first 3 goals, and they needed to present Newmarket as a professional, well –run community. His only concern was that there was a great deal to accomplish, and he asked Town Administrator Fournier if he hoped to complete everything in FY13. He replied that this was an on-going process, and asked to meet with the Council to determine their priorities within the list. He stressed that while work was on-going on the action items, there would also be other important work happening, such as preparing the budget, day-to-day operations and negotiations, but he would do as much as possible. Council Chairman Nazzaro said they should be distinguishing between must haves and nice to haves. To Councilor Carmichael's question, Town Administrator Fournier said the quarterly printed newsletter would be addressed to "Resident" Town of Newmarket and sent house by house. Councilor Levy said that he saw finances and the budget as huge priorities along with the tax rate, and felt the Charter should be reviewed. He appreciated the work and format of the report. Council Chairman Nazzaro said they should put the establishment of a Charter Commission on the Warrant. He asked that Town Administrator Fournier work on a list of priorities and status summaries of action items. To

maintain focus, Council Chairman Nazzaro suggested establishing deadlines for projects, even if they were long term. Town Administrator Fournier will do this.

6. PRESENTATION OF PETITIONS AND RESOLUTIONS AND DISPOSAL THEREOF BY REFERENCE, OR OTHERWISE:

B. Introduction of Resolution #2012/2013-21 Acquisition of Replacement Computer Systems

Council Chairman Nazzaro read the Resolution. No Public Hearing is necessary.

Council Vice Chairman Bentley moved to support Resolution #2012/2013-21 Acquisition of replacement computer systems. Councilor LaBranche seconded.

Discussion: The Council is able to vote on this resolution at the meeting because the rules have not yet been approved. Councilor LaBranche said his understanding was that anything requiring Capital Reserve Funds required a Public Hearing. Town Administrator Fournier said he could not find that in the rules. The general consensus was that the Council felt comfortable voting on the Resolution. Council Chairman Nazzaro suggested that this requirement might be added to the Council rules. Town Administrator Fournier said this was in a future item on the meeting's agenda. Councilor Carmichael asked Town Administrator Fournier why he recommended passing the Resolution. He replied that the computers were 6 years old and using XP, for which there are fewer and fewer updates available.

Councilor Levy questioned the CDW.G Company's bid, stating that it appeared to be lower than that of the recommended company, Provantage, LLC. He said the format for the two bids was different making them difficult to compare. IT Director Doug Poulin said that the CDW.G bid was in 2 parts, and the server portion, which was inadvertently not include in the packet, brought their bid to \$11K, compared to the Provantage quote of \$9,739.98. None of the product is refurbished. Council Chairman Nazzaro agreed that the proposals were confusing, and stated that proposals should be summarized on one sheet so that they could be easily compared. Town Administrator Fournier said that Department Heads would be receiving a form called "staff report" at their meeting the next day. This report will be for any proposal to be brought before the Council and will include his recommendation, history on the project, financial impact as well as Department Head recommendation and any background information.

Council Chairman Nazzaro asked if there was an existing plan for replacing hardware. Mr. Poulin said there was, but it had not been included in the packet. Council Chairman Nazzaro said this should be included with proposals, so the Council could compare purchases with the plan. Mr. Poulin explained that when he prepares the budget, there is generally a line item for roughly \$10K for replacement equipment. He said that line item had been zeroed out the previous year with the thought that this year new equipment could come from Capital Improvements. This is an authorized use of Capital Reserves. Town Administrator Fournier stated that any CIP projects should be those scheduled over 10 years. He said there should be an on-going CIP Fund set up for emergency maintenance and replacement, rather than having this as part of the operating budget. Routine replacement should be in the operating budget. Council Chairman Nazzaro said that the line item in the budget should not be a set fee from year to year, but reflect what is actually needed according to the replacement plan.

Mr. Poulin said that they were buying 8 PCs, 6 for the Fire Department and 2 for the DPW and a server to replace the oldest one they had. Councilor Levy reiterated that the proposal package was confusing as it was difficult to compare quotes. Town Administrator stated that having consistent information and reporting was a part of the "do the basics right" goal, and this will be done in the future. Council Chairman Nazzaro asked if there were life/safety issues involved in replacing the PCs for the Fire Department. He said he was not willing to support this the way it was currently laid out. Mr. Poulin said that the current software they are using does not run on 4 of their computers. Fire Chief Malasky said that the department was required to use computers for incident reports to the state. Councilor Levy said in the future he would like to see the proposals and a cover sheet with a graph comparing their details. Council Chairman Nazzaro said that he did not disagree with the purchases, but found it difficult to determine what was being purchased by reading the Resolution. Town Administrator Fournier said he did not want any Council member voting if he did not feel comfortable with the information presented, and suggested that they could table the vote until the next Business Meeting. After discussion, the consensus was to vote on the resolution, rather than table it.

Town Administrator Fournier polled the Council. Motion carried 5 -1, with Council Chairman Nazzaro voting against. The

grammar will be cleaned up in the Resolution.

C. Resolution #2012/2013-22 Issuance of Tax, Water and Sewer bills by Electronic Means

Council Chairman Nazzaro read Resolution.

Councilor LaBranche moved to adopt Resolution #2012/2013-21 relating to issuance of tax, water and sewer bills by electronic means. Council Vice Chairman Bentley seconded.

Discussion: There was discussion around Councilor Levy's question about sending undeliverable electronic bills by first class mail. Traditionally bills are initially sent by first class mail because the post office has a time limit to deliver them. Presently, the town mails 3,200 tax bills every six months in addition to 500 monthly water and sewer bills. There would be no additional bills mailed, although it would be difficult to determine how many would have to be sent because they were undeliverable electronically. Councilor LaBranche asked Town Clerk Becky Benvenuti how the 40 cent saving per electronic mailing was derived. Ms. Benvenuti said that all things considered, it costs 80 cents for each bill to be sent and processed, and the third party provider charges 40 cents per electronic bill which includes tracking and updates.

Councilor Levy asked if the town office could scan the bills and send them out electronically. Ms. Benvenuti said that although this was possible, she would not attempt this with their current computer system and staffing. She said the third party provider was writing software to code each Newmarket property on the assessor's list by an identification number. The assessor's office would be informed of undeliverable electronic bills by code so that paper bills could be sent. The town's software would not be able to determine if bills were received. The third party provider can also update owner information as to billing preference, and suppress the printing of bills for those receiving electronic bills. In addition, the town would have to print and save bills before scanning, which would not produce the same amount of savings.

Ms. Benvenuti said the email bills would be suppressed for printing and electronically sent to the third party provider. When bills are paid, the information would be sent electronically from the office through Mr. Poulin's server to the provider, who will update any information changes overnight and return the updated list to the office by the next morning. Basically information goes from one database to another. She said that although there are about 12 – 15 providers for on-line bill payment, currently there is only one for tax billing/payment, Invoice Cloud, which works with the Harris Computer software the town has. Council Chairman Nazzaro thanked Ms. Benvenuti for her efforts to save money and her innovation.

Town Administrator Fournier polled the Council. Motion passed unanimously, 6 – 0.

D. Resolution #2012/2013-09 Relating to Asbestos and Transite Remediation at the Newmarket Historical Society Building

Council Chairman Nazzaro read the Resolution.

Council Vice Chairman Bentley moved to accept Resolution #2012/2013-09 relating to asbestos and transite remediation at the Newmarket Historical Society building. Council Chairman Nazzaro seconded.

Discussion: Councilor LaBranche recused himself, as his son is one of the bidding companies. Councilor Wright asked why the bid from Envirovantage was rejected. The company had not sent a sealed bid, but instead had emailed it, so there 2 rather than 3 bids to chose from. There is no requirement that there be 3 bids, but the town does attempt to get as many as possible. Councilor Levy asked if Green Environmental's bid for \$7,750 was a locked-in price. It is a firm, fixed price, and not a time and materials contract. Council Chairman Nazzaro said they should not sign time and materials contracts unless absolutely necessary.

Councilor Levy asked about the ownership status of the building. There is a re-approval clause in the deed, but the town owns the building and is responsible to take care of life/safety issues. The Historical Society had sold the building to the town for \$1.00 because it needed the town's insurance. There are gray areas, as the contract is between a deed and a

lease. Town Administrator Fournier said that the next time the deed comes up for approval, issues have to be clarified, or the town should not own the building.

Town Administrator Fournier polled the Council. Motion carried 5 – 0.

E. Resolution #2012/2013-16 Granting the Interim Finance Director Authority to Undertake Small Claims Action against L&M Variety for Recovery of Unpaid Municipal Trash Bag Fees

Council Chairman Nazzaro read the Resolution.

Councilor LaBranche moved to adopt Resolution #2012/2013-16 as read. Council Vice Chairman Bentley seconded.

Discussion: Councilor Wright asked how this had happened and what could be done to prevent this happening in the future. Acting Finance Director Angell said that he could not speak about the past, but he had instituted a basic policy that after 3 collection letters, those with unpaid bills would be taken to small claims court. In the past there had not been adequate communication between the DPW, which delivered the bags, and the finance office. Now, the finance office reviews receivables on a monthly basis and informs the DPW. Council Vice Chairman Bentley asked if the store would also be billed for court time. Mr. Angell said it would be, and that he would not submit his time to the town until the funds had been collected. Councilor Levy suggested that there be a basic letter of agreement when opening a receivables account with anyone getting products from the town, that the party would bear court costs in the event of non-payment. It was further suggested that services provided by the town be stopped if payment was not received. L&M had been given a response deadline of October 1st and someone from the store had seen Mr. Angell on October 3rd, who told him he needed cash in hand to prevent court action. There had not been bags delivered to the store since February 29, 2012. Trash bags are also available at the Tax Collector's office. Council Vice Chairman Bentley suggested that delivery of the bags could depend on a vendor having money in an account, similar to the system used by EZ Pass. Mr. Angell said this was a unique incident in the sale of trash bags. The stores selling Newmarket bags are on the town web site.

Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

F. Resolution #2012/2013-17 Amendment to the Establishment of Rules for Council Proceedings

These are rules that should be adopted annually at the Council's organizational meeting.

Due to its length, Councilor LaBranche moved to read Resolution #2012/2013-17 by title only. Council Vice Chairman Bentley seconded. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

Town Administrator Fournier explained that the Resolution was necessary to tighten the rules for Council proceedings and to adhere more closely to the Council form of government. Business meetings are for the Council to conduct business, read Resolutions and Ordinances, conduct Public Hearings and hold votes. Workshops are designated for in depth presentations and discussions. A workshop agenda may include Public Forums and although no formal votes should be taken without suspending the rules, a Council poll or consensus is acceptable. First readings of ordinances or resolutions should be read at a business meeting, and then deferred to the next business meeting for a second reading, Public Hearing and vote. In-depth discussion can be held at the intervening workshop session. In the event of several amendments, there can be a third reading. This procedure allows the public and Council to become informed and to know where they stand in the process. He said this will prevent the expectation that an issue or project can be brought to a Council meeting and voted on at the same meeting. Although the rules can be suspended for an emergency, Department Heads will have to be prepared to present a project nearly two months before its inception.

Council Vice Chairman Bentley, referring to workshop rules, said that although there should not be any appointments or nominations for committees, there had been times when a position had to be filled before a month had elapsed. He also said that there had been cases when a delay would affect businesses operating in town. Town Administrator Fournier said that at some point they needed to review what comes before the Council and what can be handled by town administration and department heads. He said it is also possible for the Town Administrator or 4 members of the Council to request a special meeting, which can be held the same night as a workshop. This provision has been moved, but is

still contained within the amended rules. Councilor Levy said in general the amendments were good, as in the past they had been presented with last-minute issues which made it difficult to make a decision. He approved of the ability to suspend the rules if necessary. Council Chairman Nazzaro agreed with the rules, saying that it made the operation more professional and systematic, as the rules would be known. Town Administrator Fournier said staff had indicated that they liked the rules.

Councilor Levy asked what the difference was between Public Hearings and Public Forums. Town Administrator Fournier said public hearings were set out by statute for taking public input on resolutions or ordinances. Public Forums are for the public to comment on non-agenda items, and will be a part of workshop agendas. Councilor Levy asked if Town Administrator Fournier would at some time explain where all the changes came from, especially in the section concerning ordinances and resolutions. Town Administrator Fournier said that he had looked at other Council governments in the area to see how they wrote their rules.

Councilor LaBranche moved to adopt Resolution 2012/2013-17 amendment to established rules of Council proceedings. Councilor Levy seconded. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

G. Resolution #2012/2013-18 Sale of Antique Fire Truck

Council Chairman Nazzaro read the Resolution.

Councilor LaBranche moved to adopt Resolution #2012/2013-18 as read. Council Vice Chairman Bentley seconded.

Discussion: Council Vice Chairman Bentley said this was the first time he had seen a resolution when more than one option was to be considered, and asked how they would know what would be done. Town Administrator Fournier said the 3 options were listed in priority order. Council Vice Chairman Bentley asked why they would consider selling the fire truck for one dollar to the Historical Society or a townsperson, if they had the possibility of receiving \$5K on the open market. Acting Finance Director Angell said they were sensitive to the community in selling off a piece of the town's history. Basically, the fire truck being sold is a frame with wheels, and its other pieces are being stored in various places in town. The town has another fully restored fire truck which it intends to keep. Councilor Levy was in favor of attempting to sell the truck on line or to someone who would put the pieces together. Mr. Angell said the Council was open to changing the resolution to whatever they wanted. Council Chairman Nazzaro said he thought, as a piece of history, the truck should first be offered to the Historical Society, then to a Newmarket hand tub group that works with old firefighting equipment, and lastly on the open market. The truck was used in Newmarket. Fire Chief Malasky added that many years ago the town had purchased the vehicle used and turned it into a fire truck. Councilor LaBranche said that he liked the order of disposal that had been suggested, and that they would have to either table and re-write or amend the resolution. Town Administrator Fournier said they could amend the resolution and vote on it during the meeting.

Councilor LaBranche moved to amend the order of disposition of the fire truck in Resolution #2012/2013 to read: 1. Historical Society, 2. Hand Tub Organization, 3. Open Market. Council Vice Chairman Bentley seconded.

Discussion: Councilor Levy asked if they knew whether either organization was interested in the fire truck. This was not certain. He asked that they establish a time-line for each to decide. Town Administrator Fournier agreed, and said sale would not be delayed, for example to fund-raise, once a decision was made.

Town Administrator Fournier polled the Council on the amendment to the Resolution. Motion passed unanimously, 6 – 0.

Town Administrator Fournier polled the Council on the amended Resolution. Motion carried unanimously, 6 – 0.

H. Introduction of Resolution #2012/2013-19 Final Closure of the Wadleigh Falls Sewer and Pump Station Project (First Reading)

Council Chairman Nazzaro read Resolution #2012/2013-19. The information will be included in the next packet.

I. Introduction of Resolution #2012/2013-20 Appropriation of Funds from the Dam Capital Reserve Fund

First Reading: Council Chairman Nazzaro read Resolution #2012/2013-20. Town Administrator Fournier asked that they suspend the rules and vote on the Resolution, so that the payment would not be in arrears.

Councilor LaBranche moved to suspend the rules. Council Vice Chairman Bentley seconded. There was no discussion. Town Administrator Fournier poled the Council. Motion passed unanimously.

Councilor LaBranche moved to adopt Resolution #2012/2013-20 as read. Council Vice Chairman Bentley seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion passed unanimously, 6 – 0.

J. Resolution #2012/2013-23 Amending the Town of Newmarket Fund Balance Policy

Council Chairman Nazzaro read the beginning of the resolution, stating that the goal should be to reserve between 5 and 10% of appropriations for town, school and county in the unassigned fund balance for the town. Due to its length, Councilor LaBranche moved to read Resolution #2012/2013-23 by title only. Council Vice Chairman Bentley seconded. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

Town Administrator Fournier outlined the basis for the proposed fund balance policy. He said the town previously had a fund balance policy to retain 3 months of operating expenses or 16% of its budget in its undesignated fund balance, which is not common for municipalities in New Hampshire. Usually it is between 5 and 10%, the DRA recommended amount, or 8 to 17%, the Government Finance Association amount, of the combined town, school and county appropriation. Enterprise funds are not currently included in the town's portion. This is not cash on hand, but accounting procedure, based on budgeted revenues/surpluses. This policy keeps the tax at a flat rate during the year. and brings the town into line with other municipalities across the state. Most towns don't adopt a formal policy, but budget according to DRA recommendations. He felt that budgeting 5% of the town appropriations was too low and would not be wise for the community. He said the town currently would be at about 6.7% with what it had in fund balance. The minimum is 5% with a target of 8%.

Councilor Levy asked if other towns using the formula would have to borrow if they did not have enough to cover expenses. Town Administrator Fournier said that this is not cash on hand, but that DRA would allow towns to withdraw from other projects because the funds are designated to be collected. He said that a future discussion would be to use the fund balance for one-time capital projects to keep the tax rate consistent, rather than using it to reduce the rate one year and raising it the next. He said this resolution is to ensure that the difference between expenses and the budget are at an acceptable level. Councilor LaBranche said that past Councils had adopted the 16% figure at the suggestion of Frank Biron, as it represented 2 months of operating expenses. He said he would support the resolution, but felt he should explain the history. The figure was 16% of the total town operating budget, including school and county. Town Administrator Fournier said this was not yet the policy for the Enterprise Funds as they were in the process of reviewing them. They will have a fund balance policy so that they will not get higher than necessary. Should that happen, the funds can be swept into Capital Reserve Funds to put toward future projects.

Council Chairman Nazzaro asked Town Administrator Fournier if he had reviewed this policy change with the auditors. He had, and they were in agreement. Councilor Levy asked if the town has a line of credit. Mr. Angell said they do not have an open line of credit, but can call the bank if necessary. He said they try to operate without a line of credit and pay invoices within 30 days. If they anticipate a cash flow problem, they first look at managing outlays. He said they can push back some payments and speak with the school about delaying a payment. Councilor Levy said this resolution could have a potential impact on cash flow, and he thought it would be a good idea to contact the bank and see about having a line of credit in place. Mr. Angell will contact the bank. He said the taxpayers tend to pay relatively quickly, but if they did not, they would be asking for more than 5%. Last year the town operated on close to 5%. Council Chairman Nazzaro emphasized that they were not talking about cash on hand, but on unassigned fund balance. Mr. Angell said these are revenues received above those budgeted and also expenditures not spent. Those increase fund balance. He said these are monies to be returned to the taxpayers, and they are trying to balance that level so that they do not have to borrow. Town Administrator said this are not called a line of credit, but a tax anticipatory note. Councilor Levy said that technically they could not touch undesignated fund balance if they had to have money, so he felt it was important that they have a backup. Town Administrator Fournier said that this policy would help them get a better credit rating with any bank.

Councilor LaBranche moved to adopt Resolution #2012/2013-23 as written. Council Vice Chairman Bentley seconded. There was no further discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

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

Town Administrator Fournier asked the Council to table Resolution #2012/2013-24 in response to a Councilor's question, as he was attempting to determine if there could be additional funds from the Downtown TIF and Main Street Capital Project available to raise the fund balance amount. From what he had learned of the history, he and the auditors felt that a past Council had intended to partially fund these projects through the water and sewer capital reserve fund. When the Council was voting to transfer funds, one of the transfers was not made from the Water Capital Reserve Fund because it was the Council's belief that this would deplete the fund. The Council used the Downtown TIF fund to finish the project. After this transfer, the town found there was more money in the water capital reserve fund than previously thought. By that time, the TIF had been closed. The town attorneys say that re-establishing the TIF will be extremely difficult. However, the auditors suggested that by votes of the Council, funds could be transferred from the Water Fund balance to the Water Capital Reserve Fund and from there to the Main Street Project Fund and from there to the General Fund. He is asking DRA for an opinion on this.

Councilor LaBranche moved to table Resolution #2012/2013-24. Council Vice Chairman Bentley seconded. There was no further discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 6 – 0.

7. NEW BUSINESS

A. Approval of All-Hazard Mitigation Plan Update 2012

This item was not addressed as the presenter was not in attendance.

B. Approval of Emergency Operations Plan 2011

This item was not addressed as the presenter was not in attendance.

C. Appointment of Two Councilors to the Collective Bargaining Negotiating Team

This item will be addressed at the next meeting, as it was felt that the entire Council should be present. The information was not included in the packet. The rules will be suspended, so that the vote can be held during a Workshop. In the meantime, Town Administrator Fournier will try to set up tentative dates for negotiations.

8. OLD BUSINESS

Councilor LaBranche asked for an update on the \$150K that had been allotted for the MacIntosh Well study. This will be on the next agenda.

Councilor Wright said he had attended the open house given by the Trustees of the Library. He related that the library has insufficient parking and some maintenance issues. They will discuss these with the Town Administrator.

Council Vice Chairman Bentley thanked all who participated in the Heritage Festival.

The commendation letter sent to Chief Malasky will be read publicly.

9. ADJOURNMENT – NEXT MEETING OCTOBER 17, 2012 WORKSHOP

Councilor Levy moved to adjourn. Councilor LaBranche seconded. Motion carried unanimously. Meeting adjourned at 9:30 p.m.

Respectfully submitted,

Ellen Adlington

Recording Secretary