

Town Council July 11, 2012 BM Approved Minutes

TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL BUSINESS MEETING
JULY 11, 2012 7:00 P.M.
COUNCIL CHAMBERS

PRESENT:

Council Chairman Phil Nazzaro

Council Vice Chairman John Bentley

Councilor Mike LaBranche

Councilor Al Zink

Councilor Ed Carmichael

Councilor Dan Wright

Councilor Gary Levy

Council Chairman Nazzaro called the meeting to order at 7:00 p.m., followed by the Pledge of Allegiance.

Councilor LaBranche moved to seal the minutes of the non-public session. Councilor Zink seconded. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

Council Chairman Nazzaro announced that the Council would vote to appoint Police Chief Kevin Cyr as Acting Town Administrator under Section 4.5 of the Town Charter.

Council Vice Chairman Bentley moved to appoint Chief Kevin Cyr Acting Town Administrator under Section 4.5 of the Town Charter. Councilor Zink seconded. Council Vice Chairman Bentley thanked Chief Cyr for stepping up to help. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

PUBLIC HEARING: (SECOND READING) Ordinance 2011/2012 – 03 Close Out of the Downtown TIF Fund and Main Street Enhancement Fund, Transfer all Captured Assessed Value to the General Tax Rolls and Repeal the Downtown Business District Tax Increment Finance District as Provided for in Ordinance 98-03. (INTRODUCTION DATE JUNE 20, 2012)

Council Chairman Nazzaro read the Ordinance in its entirety. He opened the Public Hearing at 7:07. As there was no discussion, the Public Hearing closed at 7:07.

PUBLIC HEARING: (FIRST READING) Resolution #2012/2013-03 Undertake Pilot Study for MacIntosh Well in the Amount of \$146,900 from Water Capital Reserve Account

Council Chairman Nazzaro read the Resolution in full. He opened the Public Hearing at 7:09. Councilor LaBranche asked if the Council would need to also vote to release the \$5773.36 in water impact fees for this use, as this had not been discussed before. Council Chairman Nazzaro said that to be on the safe side they should vote when the time came. As there was no further discussion, the Public Hearing closed at 7:10.

PUBLIC FORUM: non-Agenda Items only (opened at 7:11)

Larry Pickering of Ash Swamp Road asked what the town's arrangement was with Newfields to use Newmarket's transfer station. He wondered if there was a fee, and if it should be reviewed, in view of taxes. Acting Finance Director Matt Angell said Newmarket charges a flat fee based on the number of Newfields residents, and a fee to Newfields residents when they dispose of their property. He thought the fee was about \$4,900, billed quarterly. Council Chairman Nazzaro stated this could be added to another agenda so the Council could have information to review the fee.

Bob Goodman of Exeter introduced himself as a candidate for State Representative for the newly created District 36, serving Newmarket, Newfields, Stratham and Exeter. The district will give Newmarket additional representation to the 3 Representatives it has.

As there was no further discussion, the Public Forum closed at 7:16.

TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES: June 20, 2012 WORKSHOP

Councilor LaBranche moved to approve the minutes of the June 20th Workshop. Council Vice Chairman Bentley seconded. There was no discussion. The Recording Secretary polled the Council. Motion passed unanimously, 7 – 0.

AGENDA:

1. PATRICK SANTOS, UNH, UPDATE ON ROAD SURFACE MANAGEMENT SYSTEM

Patrick Santos and Tim Harmer, the person who had conducted the process, came to explain the study to the Council and answer questions. Mr. Santos said the process begins by riding every town road to determine distress, such as alligating and potholes. From there, the information is entered into their software package. The middle of the report (landscape with blue highlighting) is the summary of condition. From there the survey produces a PCI (pavement condition index). Newmarket's overall PCI is 78.37%, which is considered good. The second table shows the PCI at 54% in 10 years if nothing were done to the roads. He said that the repairs suggested by the survey would maintain the roads in the low 80%. The software looks at all the distresses by road and recommends a program of repairs for 10 years. The amounts necessary to do these repairs are listed on Table 1. He understood the amounts recommended for repairs would be a budgetary issue for the town. He said basically the survey recommended a \$200K maintenance and operation budget per year. This would be in addition to setting aside \$200K per year for 6 years in a Capital Improvement Fund for resurfacing and reconstructing roads. He said that with the software, they could look at this on an annual basis and decide what to do within the budget. He said the work could be scaled back to give a fairly accurate 5 to 10 year estimate.

Councilor Zink asked if Newmarket was presented with expenses it could tolerate or expenses the town needed to pay to maintain its roads. Mr. Santos said the survey gives figures for a best case scenario, but it is the Town's decision to do what it can within its budget. Council Vice Chairman Bentley asked if traffic was taken into account when rating the roads. Mr. Santos said the first thing they did was go over the road inventory, factoring out state and private roads. Then DPW Director Rick Malasky provided traffic and importance information for each road. He said another aspect of the survey was to recommend a preventative maintenance program to extend the life of the town's roads. These were cheap fixes that would save the town money in the long run. Councilor Wright asked if they would be able to re-format and update the survey based upon what Newmarket has to spend. Mr. Santos said they could do that.

Councilor LaBranche referred to Table 4: Condition and Repair. He asked what the priority numbers meant and the acronym UID. Mr. Santos said the priority figure at the top, 1600, was based on the traffic and importance factors along with the repair category. In this case, the repair was inexpensive as it involved crack sealing. The next column showed

the condition index rated against 100%, which in this case was 78%. UID is a number assigned to represent each road, a unit ID. The column Repair Category rates repairs as low, medium or high quality depending upon what needs to be done. Council Chairman Nazzaro asked about the scale of the priority numbers. Mr. Harmer said this was a ranking rather than a scale, and the highest number was about 1625. The number is relative to the town. Councilor LaBranche asked if the rebuild/replace was the same as a reclaim. It is. He asked if they began a program of preventative maintenance would that mean that they would not have to rebuild some roads. Mr. Santos said this would put off the rebuilding for some time.

Councilor Levy referred to the list of roads in Table 4, repairs and conditions by priority. Mr. Santos said the list of roads was in the order the survey recommended repairing first. For example, Old Route 108 required crack seal repair in year 1. Others given a higher priority might not have to be done in year 1, but would be a priority in a later year when their condition goes below 70%. Councilor Levy stated that the priorities for year 1 did not line up with those on another page of Table 4. Mr. Santos said the first priority for year 1 was Old Route 108, with a condition index of 78%. He said that some of the other roads with a higher priority are not shown in year 1 as they do not have to be repaired immediately. However, these roads would be high priorities in the future when repair is needed and the condition goes below 70%. Mr. Harmer said that whenever that occurs, the repair is a priority for that year, and money needs to be spent. The higher priority roads are those that the town needs to spend money on, while the lower priority roads can be put on hold. He said perhaps the term priority was misleading, but it was a combination of condition and repair costs.

Councilor LaBranche asked Mr. Malasky what they were putting in the CIP each year when they were doing paving before it became a budget line item. Mr. Malasky said it was somewhere between \$345 - \$355K per year, and for the past 2 to 3 years they had budgeted \$125K. Councilor LaBranche stated that they had some catching up to do, and cited the year 1 cost of \$478K, which would scale down to \$190 in the 7th year. He said paving had been cut to reduce expenses, but the program would bring them in range of what they had been spending. To his question about costs rising each year, Mr. Santos said they factor in a 4% increase per year. Councilor LaBranche said that in 7 years, they could be down to about a \$200K annual road budget. Councilor Levy said that the first few years showed substantial expenditures, and he asked Mr. Santos for guidance on the best way to proceed given Newmarket's budget. He wanted to know what the priorities would be with the amount of money the town had available to spend. Mr. Santos said he would work with Mr. Malasky on figuring out the budget and priorities. Local knowledge on the roads and their usage will also be considered. The town had to decide the budget level that would work for this, and then the recommendations could be pared down to a workable program.

Council Chairman Nazzaro asked if there was a way to use the software program to ascertain a time frame for roads to go from needing just crack seal to total deterioration, or from small costs to major ones. Mr. Harmer said that even though the software was based on local roads, there were too many factors involved to predict this with any certainty. Mr. Santos said they did consider escalating costs when preparing the recommendations. Council Chairman Nazzaro said he thought the best way to proceed at this point was to have Mr. Malasky sit down with the UNH group and work out a set of alternatives to bring back to the Council.

DPW Director Malasky said that the town needed to do some road resurfacing, and asked if the Council had considered Bell & Flynn's offer to extend its contract with Newmarket for a year at the same cost. He said the Council could also go out to bid, but he needed to know what funds were available if that happened. He also asked if the Council would vote to release money from the Municipal Transportation Fund to help with this year's budget and work on the plan. Council Chairman Nazzaro said that if Mr. Malasky could prepare recommendations and figures, he could be on the July 18th agenda. He asked for Council thoughts on releasing money from the Fund. Councilor Levy said he felt they should first look at the budget. He said the contract extension would be at the same bid price as the previous year, so they could back into what could be done.

Council Chairman Nazzaro said they had budgeted \$125K, so the question was would they vote to release money from the Municipal Transportation Fund. Councilor LaBranche wondered that if they did release funds would that mean the budget was over-expended. He asked Mr. Malasky how much he thought he would need from the Fund. The balance in the Fund is \$342,331, and \$45K goes into it annually. Mr. Malasky said he anticipated a request from Town Planner Diane Hardy for \$7K to be used toward the Sky Bridge. He said he needed to know the amount the Council felt comfortable taking out so he could plan projects. He said the budgeted amount was different from the Fund. Council Chairman Nazzaro said that when the town voted on the budget, it voted on the bottom line, and shifts within the department were acceptable as long as they did not go above the amount voted. Acting Finance Director Matt Angell said money coming from the Municipal Transportation Fund was accounted for separately from the budget. He said the Council did have authority to shift within the budget. The Fund was set up with the Council as Agent, so any release of moneys requires only a Council, rather than a Town Meeting vote.

Councilor Zink commented that the CIP and Budget Committee had been hacking away at the Road budget for sometime. He said when the figure of \$125K was budgeted, they knew there would be more expenditures, but that the money in the Municipal Transportation Fund had been a consideration. He said to the offer from Bell & Flynn, he thought the Council had no option but to go out to bid. To Councilor Wright's question, Mr. Malasky said knowing what roads were to be done and knowing how much money was available to repair them was the key to getting appropriate bids. Councilor Levy asked that if they wanted to shift money around, would the Budget Committee have to be involved, and would they have to designate what area they would take funds from. The Budget Committee would not be involved, and Council Chairman Nazzaro stated the Municipal Transportation Fund was outside the operating budget, and they were discussing releasing money from the Fund, not shifting funds in the operating budget. He emphasized that Mr. Malasky needed a budget estimate for planning purposes and asked the Councilors what they felt comfortable releasing from the Fund to move to paving.

Councilor Carmichael said they should find out if they had to go out to bid. Council Chairman Nazzaro said that Council policy states they do. Mr. Malasky said that they had gone out to bid the previous year, and he felt this was just an extension of that bid. He said other communities, as well as Newmarket, had done this. Council Chairman Nazzaro will get a legal opinion on "extension". Councilor Zink felt they could take \$100K out of the reserve, which would be meaningful but not deplete the Fund. Councilor Levy stated he felt they should take out what they put in, \$45K. He said it was up to the Council to go out to bid, and he felt they could get another bid based on what they needed for comparison's sake. He felt they did not need to spend money on another legal opinion. Council Vice Chairman Bentley said he was originally thinking of \$125K, but would be comfortable with \$100. Councilor Wright said he thought they could release \$75K. He thought they should get 3 bids to consider with the extension offer. Mr. Malasky said that Mr. Bell would probably re-bid if others were bidding. He pointed out that Durham had gone out to bid and was paying \$74 per ton, \$3 more than Newmarket.

Councilor LaBranche asked Mr. Malasky if he was planning on reclaiming any roads this year with his budget. Mr. Malasky said there were some roads that just had binder and needed a top coat. He needed to know what his budget would be. Councilor LaBranche said they could also do some crack sealing with other money. He said he felt comfortable with a release of \$100K. Council Chairman Nazzaro asked Mr. Malasky to prepare a plan of what he would be able to do with funds ranging from \$175 and \$250K and break it down roughly by roads. He asked that this could be done in time to include it in the packet for the next meeting. Councilor Zink asked about an opinion on bidding, and Council Chairman Nazzaro will get an answer. He thanked Mr. Santos, Mr. Harmer and Mr. Malasky. Citizen Larry Pickering said that he thought that for anything above \$5K, the Council was obligated to go out to bid. He mentioned that even though the price of oil was lower than last year, by going to bid, the town could see an increase.

2. EFFICIENCY COMMITTEE PRESENTATIONS

Efficiency Committee Chairman Bob Coffey said that in April the Committee had discussed reconfiguring health insurance to reduce costs with little or no impact on the 37 employees involved. He introduced John Sachetti from Washington Square Financial and Paul Doherty from GP Administration who had developed a plan for Newmarket's health insurance program. They distributed their analysis "Better Plans at Lower Cost", which compared current premiums and benefits with 2 other options. Mr. Sachetti said the current figures were from the LGC program that was renewed on July 1st.

In Option #1, they looked at increasing the deductible from \$250 to \$1,000., which substantially reduced the rates, and gave an annual difference of approximately \$158K. This option keeps the out-of-pocket expenses for employees roughly the same as they are now. Paul Doherty said his company identifies the best value available from the insurance companies, and that is usually found by going to a higher deductible. Once there is the premium savings with Blue Cross of \$158,280, the plan is not the same. The deductible would be \$1,000 and there would be a small increase in co-pay office visits. Mr. Doherty said his company would administer a self-insured plan for the town. He said this is not a risky program, but one that takes the premium difference and recycles the money. He said they would take the \$1,000 deductible plan and overlay another plan to bring the benefit level to what it is with the \$250 deductible. He estimated the annual savings to be \$53,184 after all the bills are paid. He said his fee would be \$3,100 a year.

Mr. Doherty then explained that, under option #1, Blue Cross would charge a 10% surcharge on the premium for a higher deductible with a self-insure plan of over 50% of the deductible, here \$750. This would bring the annual savings to \$115,080. On top of that would be claims the town would pay and administration of the program. By comparison, if the deductible is increased from the current \$250 to \$500, they could save this 10% premium surcharge which is more than \$50,000. If each employee were given the \$250 difference, and each couple the \$500 difference in deductible, it would

total \$11,000. He said it made sense to take the \$500 deductible plan and meet the Blue Cross criteria and compensate the employees in another way, perhaps by lowering their payroll deduction. He said this would realize a savings of \$100,000 on the current annual cost of \$590,280. He said they recommended option #2: changing the deductible to \$500. Basically, this would be the same plan with Blue Cross, but with an increase in office co-pay which they had built into the self-insure plan so that the employee would continue to see the same \$10 co-pay.

Council Vice Chairman Bentley asked about the number of employees the savings was based on. According to the census provided, there are 14 single plans, 6 two-person plans and 17 family plans. School employees are not included. Mr. Sachetti said that if they could save over \$100K on the 37 plans, they could probably save another \$150K if the school were included. Mr. Doherty said that would assume that the plans are the same. He said the town would be taking essentially the same plan underwritten by Anthem Blue Cross, and Anthem would continue to assume all catastrophic costs. The only difference would be the \$1,000 deductible. Councilor Levy asked what the town was currently paying for 37 employees. The total is \$49,190 per month gross for close to \$600K per year. Councilor Levy asked what the costs would be under the proposed option #2. The costs would be \$36K monthly or \$432K annually with the \$1,000 deductible, but without the 10% surcharge. Mr. Sachetti said that meant the town would have to self-insure not more than 50% of the deductible, or here, \$500. This would result in annual savings of \$158,280.

Councilor Levy asked what assumptions they were making with self-insurance. Mr. Sachetti referred to the next set of numbers on the handout: "With Estimated Claims/fees". He said under option #1, even with paying the 10% surcharge to Blue Cross, they would save \$53,184. Under option #2, they would save \$100,860 per year. Each savings was based upon worst case scenario, and would be a conservative estimate based upon Mr. Sachetti's thirty years experience. Councilor Zink asked if the numbers presumed a utilization of 50%. Mr. Sachetti said that was approximate, but as a practical matter it was usually less than that. He said they were dealing with a front-end dollar, and the most expensive dollar was the first one, and it would get less expensive as it goes up. He said that actuarially, 80% of claims are under \$500 and only 5% reach \$5,000. In addition, costs for catastrophic claims were not the responsibility of the town or employees. He said they would be reducing premiums, maintaining the same level of services and adding an administration layer. He said that if the deductible goes from \$250 to \$500, the town can soften that a bit if it chooses. The change would realize a \$22 savings per single employee monthly contribution, which annually is \$14 more than the increase in the deductible.

To Councilor Levy' question, the codes under "EE Plan Description" are the same Blue Cross codes for the present plan, and there are no longer any maximum insurance limits set. He asked if there was any situation where the savings, based on 50% utilization, under option #2 would not be realized. Mr. Doherty said that if everyone had maximum claims, assuming the \$500 deductible, taking the census numbers of 14, 6 and 17 the total would come to \$36,000 and that would be the maximum exposure to the town. There is a maximum of 3 times the deductible under the family plan, or \$1,500. Deducting the \$36,000 from the \$158,280 would still give a savings. Councilor Levy said his understanding had always been that self-insuring was more beneficial with a large group of people, and that there were few companies of under 50 employees that did this. Mr. Doherty said that self-insurance here was a misnomer, as it actually was an employee reimbursement plan. Insurance assumes protecting an unknown risk. Mr. Sachetti said that on premiums alone there would be a savings of \$13,000 monthly for an annual savings of \$158K. He said that if everyone in the town maxed out their deductible, the maximum would be \$77K. He said he had estimated utilization at 54%, not 50%, and he doubted they would spend that much. The census figures also include the Police Department Union as it has the same plan.

Mr. Coffey noted that the new policy went into effect on July 1st, so a decision had to be made by August 1st. Mr. Sachetti said Blue Cross would allow a window for change up to that time, but the policy would still retain its July 1st renewal period. He said that Blue Cross applies deductibles on a calendar year, while municipalities have policies based on their fiscal years. There was the possibility of a deductible being paid twice within the first fiscal year. Councilor Levy asked if they were paying users up front or only when they submitted claims prior to meeting their deductible. It would be the latter, as it is a pay-as-you-go system. Mr. Doherty said he would have the town deposit about \$5,000 per month into his account. From that, he would disperse funds and send a monthly report to the town. He expected they would use about \$4,000 a month.

Councilor Zink said the Efficiency Committee had been speaking with Mr. Sachetti for close to a year. He noted that there was no change to the benefit plan, but neither was the town taking advantage of other government opportunities relative to taxes. The town did not offer health savings accounts or pre-tax deductions, wellness accounts, or the chance for employees to select larger deductibles. He said this was a 1963 benefit plan that they were providing to their current employees. He felt this was one piece of the effort to save money, and it should go back to the Efficiency Committee to have MRI focus on other projects quickly. He said monthly they were losing large amounts of money on the current insurance plan. Council Vice Chairman Bentley said that rather than going back to the Efficiency Committee, he felt the Council should go ahead and put this on the next agenda. The Committee had already worked on this for 11 months, and

they should consider the August 1st deadline to make the change. Councilor Carmichael said this looked like a great plan, but wondered if it would have to go out for bid. Councilor Zink said they had already gone out to bid on this, and these were bidden numbers. Mr. Sachetti said this was a modification of the current plan from LGC, and represented a quick way to save money. He suggested that for the next year, they could look at ways to combine the school in the plan.

Councilor LaBranche cautioned that the Police Union would have to be consulted before a change was made, due to the language in their contract. He felt this could be considered a substantive change. Referring to Mr. Sachetti's statement that deductibles for the insurance company were based on a calendar year, he asked if there was any way to coordinate that with the municipal fiscal year. Mr. Doherty said there was no way to change this with the present carrier. The possible impact of paying 2 deductibles would only occur in this first year, and would affect very few. He said the people with very few claims are the ones they would win with. He said that Blue Cross is not obligated to share claim information with plans covering fewer than 50 people. With his company processing claims and gathering data, they would have experience information that would allow them to go into the marketplace to consider other options.

Councilor LaBranche asked that if they could not get this done in 30 days, how they could get it done. Mr. Sachetti said he would have to talk to Blue Cross. Mr. Doherty said he would call them the next day, but from his experience of working for Blue Cross, extensions had a deadline only if the program was to be upgraded to a higher risk for the insurance company. In this case, the higher deductible was reducing the risk. He was to advise Council Chairman Nazzaro of Blue Cross's answer. To Councilor Levy's question, Mr. Doherty's company would not be replacing LGC, but administering the overlay plan, something which LGC does not do. Councilor Bentley asked Mr. Coffey if he would be willing to facilitate, in the absence of a Town Administrator, with the Acting Town Administrator and Police Chief in meeting with the Police Union to present the plan. He stressed the importance of doing this as soon as possible to save money. Mr. Coffey indicated he would be willing to help. Councilor Zink summarized their discussion. They would be self-insuring the deductible with no effect on the employee, no change in benefits, only the change that the deductible would be processed differently. Council Chairman Nazzaro agreed with Council Vice Chairman Bentley that they should move quickly on this, and he asked Chief Cyr to speak with the police department about this. He said that even if Blue Cross offered an extension to them, the sooner they moved, the sooner they would realize savings. Councilor Zink said that they had originally started a year before, and spoken with 3 vendors. Mr. Sachetti was the only one who had stuck with the Committee, and he thanked him for that.

3. JIM HAYES, SCHOOL SUPEINTENDENT

A. REQUEST FOR COMCAST PEG ACCESS CAPITAL SUPPORT FUNDS

Dr. Hayes spoke of the annual \$10K grant from Comcast to develop a separate educational channel. He said they were developing a program, and that with the \$20K they had used of the money, they had purchased some equipment, hired staff and started a video club. He was before the Council to request \$10K for the 2012 calendar year to purchase equipment to upgrade their capability. He said he felt they were a year away from offering video production as a course in the school, and another year away from having the channel.

Council Vice Chairman Bentley moved to release \$10K to the Newmarket School District from the Comcast Cable Funds for video equipment, etc. purchase. Councilor Zink seconded.

Discussion: Councilor LaBranche said it was his understanding that of the \$27K spent the previous year, \$20K came from the grant and \$7K from funds the town had budgeted. Dr. Hayes said the \$7K came from the town budget because use of the mobile equipment would also benefit the town. The school district budget covered salary for the technician, and also his stipend for working with students during the year. Along with other expenses, they had spent more than the \$20K from the grant. Councilor LaBranche said the original intent of the \$70K grant was to set up a separate channel. He stated that there was currently no live access in the high school gym, and asked if they had considered purchasing equipment in order to do a live broadcast of the Deliberative Session. Dr. Hayes said that was their intent for the future, and that they currently had a mobile studio, but they were looking toward a mobile live studio. He felt that was probably a year away.

Councilor Levy said that the motion was for \$10K, but the Newmarket Video Club total was \$8,467. He asked what the difference would be used for. Dr. Hayes said he thought the remainder would be for computers necessary for editing. Councilor Levy said that should be annotated in the memo. He asked if this had been put out to bid. The video technician

said they had a vendor from Concord that they use who provided maintenance and follow-up tech support service, which he did not think would be available from a big-box store. Councilor Zink and Council Chairman Nazzaro said that there was no choice but to go out to bid. Councilor Levy suggested that the largest item, a Cannon HD camera, should be shopped. He did not feel they should approve the \$10K when only \$8,467 had been accounted for. Dr. Hayes said the Council would vote to release the funds, but once released, he would have to follow school purchasing policies.

Council Vice Chairman Bentley amended his motion to release \$8467, and ask Dr. Hayes to return for the remainder when it was specific. Councilor Zink seconded. Councilor Levy offered a friendly amendment: to release up to \$8,467, and not knowing the school's policies, he still felt this should go out to bid. The technician said he had been looking at other places where he could get the camera including lenses, etc. but he was not sure of the quality. He had come into the room to speak to Councilor LaBranche's question about streaming for the deliberative session. He said he was going to try to talk to Doug Poulin, the IT Director, about using some Technology CIP funds to purchase equipment to do this. He felt that they could integrate some of the equipment they presently had to be able to broadcast live from any spot. He hoped they would have this system operable before the Town Meeting.

Matt Angell said they had received money from Comcast for the cable access fee. He would have to research to see if they had received anything additional. Councilor LaBranche said that when the previous contract had been renewed 3 or 4 years ago, there was an allowance for INET service, which never took place. To compensate, Comcast had agreed to pay a total of \$70K in \$10K annual amounts toward a second channel. He said they needed to know if Comcast had paid them that amount, or when they expected to pay it. Mr. Angell will find out. Councilor Zink asked Dr. Hayes if the school policy amount for going out to bid was the same as the Council's: over \$5K. Dr. Hayes confirmed that it was, but that the school could seek a waiver to the policy. Council Chairman Nazzaro said this was outside Council scope, as they could not tell the school how to spend the funds once they were released.

The Recording Secretary polled the Council on the amended motion.

Y Councilor Wright

A Councilor Levy asked if this was going out to bid. Council Chairman Nazzaro said this was determined by the school, not the Council policy. Councilor Levy said that if it were going out to bid he would vote yes, and if not, he would vote no. He said not knowing the answer, he would abstain due to not having enough information.

Y Councilor LaBranche

Y Councilor Zink

Y Councilor Carmichael

Y Council Vice Chairman Bentley

Y Council Chairman Nazzaro

The motion carried 6 – 0 -1.

REQUEST FOR IMPACT FEES

Superintendent of Schools Hayes was requesting impact fees to reimburse the school for deposits paid to purchase land. They had not budgeted for this and could not take the funds from the School Expansion Capital Reserve Fund, as they had to pay the deposits before the March vote. He read from the impact fee ordinance that states funds could be used to acquire or expand property to increase their capacity or to recoup the costs of facility expansion. He stated that at the last meeting he had received \$3,793.29 in impact fees and he was requesting the remainder of \$26,206.71 to bring the total to \$30K. Council Chairman Nazzaro said the Planning Board had sent the Council a letter in January in reference to

\$149K in impact fees that would have to be refunded. The money had been spent on engineering studies when the consideration was to build a school on the golf course. However, since that did not happen, the Board considered the fees improperly spent. He said the Council still had to act on that, and decide the remedy. He said his concern with this request was based on the possibility that this could happen again. If a school were not built then the fees would have to be refunded, and the money raised through taxation. He said he did not want to put the town in that position now or later.

Dr. Hayes said he felt it was debatable if the impact fees used in 2007 were all improperly spent, as the studies were valuable to the work being done at this time. He said there is only a 6 year window to use impact fees, and he felt it important to use the fees when the decisions were being made. Should a school not be built, he felt they could address that issue at that time. Council Chairman Nazzaro said they could face the possibility that the whole town would have to pay taxes to reimburse a few property owners. Dr. Hayes said he agreed, but from his perspective, they were trying to build a school and find the money to make it work. There was over \$60K in the school impact fee account. He encouraged the Council to support the request as a part of the funds they needed to make the school possible.

Councilor Levy stated he supported the request, but wanted a clarification of the statement that all the taxpayers would have to reimburse the property owners if the funds were not used properly. He said the money raised from developers had already been put into an account. He asked if the vote carried, was the money kept in an escrow account. Acting Finance Director Angell said the funds would remain in the impact fee account until dispersed upon the school's written request. Dr. Hayes read again from the ordinance on use of impact fees. Councilor Levy asked Dr. Hayes if they were going to use the funds to buy the land, which he confirmed. He then asked if the school were not built and the land sold, could the town's share of 27% be used to reimburse the property owners. Mr. Angell said that this could only be done if the property were sold, but, if not, the funds would have to be raised through taxation. He said that in the example if the golf course, if the town wanted to get back what was spent on engineering studies, the amount would have to be raised through taxation on the school side to reimburse the few property owners. If the school wasn't built and the property not sold, but used for a different purpose, any reimbursement would have to be raised through the general tax rate. Council Chairman Nazzaro said that if impact fees designated for the school were used for another purpose, even if that purpose benefited the public, they would have to be paid back.

Councilor LaBranche asked to go back to the discussion of using impact fees for the MacIntosh Well. He wondered what would happen if the well was not put up, and how intent of purpose affected use of impact fees. He said the intent of using the \$30K was to help in the purchase of land for a school, and he supported the request. Councilor Zink agreed, but felt they should have a legal opinion on "intent." Dr. Hayes had correspondence from Planning Consultant Bruce Mayberry. In both 2007 and 2011, Mr. Mayberry had considered the school's use of impact fees legitimate requests at the time. His opinion was that if nothing happened, they would have to pay back the fees. Council Vice Chairman Bentley asked if the impact fees could be used to pay for the improvements and repairs to the high school. Dr. Hayes said they could not as the key to their use was increase of capacity and it had to be a permanent increase. Council Vice Chairman Bentley said he supported the request.

Council Chairman Nazzaro said that they still had \$149K from the golf course to reimburse, although maybe some of that money was used legitimately. He was concerned that this would have to be raised through taxation because of what had happened 5 years before, and he had the same concerns with this request. Dr. Hayes said in 2007 they had looked at many sights for the school, and all had to go through a series of studies. He said the money was used then to narrow the field of possible properties. He said they did not go back and visit those properties, but went forward. He felt that returning all of the fees was debatable, and in addition, they were using the same design firm for current work. Councilor Levy said that although he could sympathize with Council Chairman Nazzaro's point, he would support the request. Dr. Hayes said the request was specifically for \$26,206.71.

Councilor LaBranche moved to release \$26,206.71 in Impact Fees to the school for fees incurred on land purchases. Council Vice Chairman Bentley seconded. The Recording Secretary polled the Council. Motion carried 6 – 1, with Council Chairman Nazzaro voting against.

4. ADAM SCHROADTER: CHANGING DIRECTION OF TRAFFIC ON CHURCH STREET TO UP HILL

Last fall, Adam Schroadter, owner of the Stone Church, had formally requested a change in the direction of traffic on Church Street from Granite Street to Main Street through the town's Highway Safety Committee. He had met with the Council in December, and they had suggested he meet with Police Chief Cyr and DPW Director Rick Malasky. At that meeting Mr. Malasky had said this would not affect his department, but suggested that they get public comment as to

perceived safety. Councilor Bergeron had spoken at the meeting and related a conversation he had with a resident of Church Street who felt the change would improve safety in turning onto Route 108. He said they had the support of the Historical Society and the Stone School Museum, and would be looking to put up tourist directional signs similar to what Portsmouth had.

Council Vice Chairman Bentley said they had talked about this before, and the Council had supporting data from Chief Cyr and Mr. Malasky. He said he had also spoken at the meeting along with Councilor Bergeron, and, as he had comments from residents who supported the change, he did also. Councilor Carmichael asked Chief Cyr if he thought this should be done on a trial basis. Chief Cyr said that changing a traffic pattern is a learning curve, so he felt this should be a permanent change. If they found this created unexpected problems, they could always reconsider. He said he knew the street should remain one way. Councilor Carmichael said he supported the change. Councilor Wright said he also supported the change, but asked if Mr. Malasky did also, as in the November memo it appeared he did not.

Mr. Schroadter said that when he had contacted the Highway Safety Committee in October, he was unsure if the street should be one-way or two-way, and that created some confusion in the discussion. The request was posted on their memo board that this was a request for two-way traffic. He was not noticed for the meeting, and at the follow-up meeting in November, the minutes included in the packet stated that Mr. Malasky said plowing could go against traffic on a one-way street. He believed that when Mr. Malasky went to Chief Cyr to discuss this, they were still operating under the erroneous assumption that the request was for a two-way street rather than a change in direction. He felt the memos showing non-support came from that time period, and when Mr. Schroadter went to the December Council meeting he was able to clarify his request and Mr. Malasky spoke with him.

Councilor Levy said his only issue was that the decision of traffic direction from a previous DPW Director seemed to be a thoughtful one, and he didn't think from some of what he read that this was a particularly positive change to make. Mr. Schroadter said that circumstances had changed since the original decision, and added parking on Main and Chapel Streets had created concerns for those turning onto 108 from Church Street. Councilor Levy read some of the information from the packet which referred to the navigability of the street. Council Vice Chairman Bentley referred to the December meeting and confirmed that the initial confusion had been in thinking this was a request for a two-way street. He also confirmed Chief Cyr's comments that this change should not be on a trial basis, and Mr. Malasky's remark that the town would continue to plow downhill. A Public Forum was held at the December Council meeting and there were no negative remarks. Councilor LaBranche asked if the street would still be two-way from 108 to Rock Street by the Post Office. Chief Cyr said it would. Council Chairman Nazzaro agreed with Mr. Schroadter that there was miscommunication around the original request.

Council Vice Chairman Bentley moved to adopt the change of traffic direction on Church Street to uphill from Rock Street. Councilor Carmichael seconded. Discussion: Councilor LaBranche wanted to clarify the location of Rock Street, above which the traffic would be two-way. Rock "Street" is where the fence ends above the Post Office, and a car from there would be able to turn down hill to Main Street on the two-way portion of Church Street. Councilor Levy suggested the motion be amended to include the words "west-bound". Council Vice Chairman Bentley agreed to the amendment and Councilor Carmichael seconded. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

5. TRISH SIMMONS, AGREEMENT BETWEEN THE TOWN AND MOODY POINT ASSOCIATION REGARDING WASTEWATER FORCE MAIN

Council Chairman Nazzaro said this item would be carried to the next meeting. The Town's Attorney had not added comments to the agreement when the Association had been given it at the last meeting. The comments were recently forwarded to the Association's lawyer, but there was not time for him to comment before this meeting.

6. TIM NICHOLS REGARDING WATER STREET DISCONTINUANCE AND RSA 79-E

Tim Nichols was not present.

7. REVIEW OF CORRESPONDENCE FROM PLANNING BOARD REGARDING FOX HOLLOW DRIVE/GRANT ROAD

Council Chairman Nazzaro stated the Council had given the Planning Board responsibility to look into the safety issue at

the Fox Hollow/ Grant Road intersection. The Board came up with a set of 5 recommendations. Councilor Carmichael, Council representative to the Planning Board, said there was a walk-through on July 9th which he had been unable to attend as the Council had a non-public session. He had attended the Planning Board meeting on July 10th and verified the memo listing the 5 recommendations. Council Chairman Nazzaro read the 5 recommendations: 1. clear all vegetation within the town right-of-way on Grant Road prior to and after the intersection; 2. have the road agent install additional warning signs prior to the intersection from town clearing to Fox Hollow Drive; 3. clear vegetation prior to the warning signs so that they are clearly visible; 4. temporarily make the Fox Hollow intersection a 3 way stop until improvements as recommended by the Planning Board can be implemented; 5. move the line recently painted by the town closer to Grant Road, similar to Hilton Drive.

Councilor Levy had called Pease to find out about the speed bumps he had described at the previous meeting. They are called "Calming Speed Bumps". They are lower than usual speed bumps and would not cause vehicle damage, unless the driver was going extremely fast. He said the memo was unclear as to who would bear the costs of these improvements. He thought someone should look into the speed bump to compare costs with the recommended improvements. Council Vice Chairman Bentley, who travels Grant Road daily, said he felt it would be difficult to have a 3-way stop at the intersection. He said coming from town or going to town, this was not a good place to stop, and could create a safety issue, especially since the intersection came after a curve for those coming from Jacob's Well. Councilor LaBranche said, at least initially, he could support all but recommendation 4, and agreed that this was a difficult location to stop. He also felt this would create an additional hazard.

Councilor Zink asked Chief Cyr for guidance on the recommendations. Chief Cyr said he was hesitant to say the 3-way stop was a good idea. He said, although he would have to visit the sight, he did not think at this time there was a sufficient line of sight for stopped vehicles. He said the other recommendations seemed reasonable and should somewhat help the situation. He thought rather than a 3-way stop, he would prefer a yellow blinking light for safety. Councilor Wright asked what the final costs for the recommendations would be, and who would be responsible for the costs, the town or the Fox Hollow Association. Councilor Carmichael said this was a safety issue and the costs would be borne by both. Council Chairman Nazzaro said that the town would be responsible for anything on Grant Road, and the Association for anything done on Fox Hollow.

Adam Schroadter said the previous night, the Planning Board had voted on different recommendations, based on additional information. He said that prior to the recommendations the Council had received, the Town Engineer had looked at the site. Mr. Schroadter said at the site walk on Monday, it became pretty clear that the engineer's recommendations were appropriate, and the Planning Board voted to send these recommendations to the Council. At the walk-through, they had seen a large mound of dirt and rock at the intersection within the town right-of-way on Grant Road. He said removing that would create the sight-line necessary to make the intersection safer. He felt the town could make those remedies. At the previous night's meeting the Planning Board had voted under a RSA to put the onus of remedies on the developer. He said that there was uncertainty as to whether the town could track down the developer, but the issuance of the order would create a civil liability on the developer. He said essentially it was just clearing of the brush and removal of the mound of dirt and rock that would give the sight line needed. Council Chairman Nazzaro, as there were no objections, will contact Town Planner, Diane Hardy to get the costs of the improvements for the next Council meeting. Councilor Zink said the issue had been discussed for about 18 months, and the Council had to find a way to expedite it.

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

A. Resolution #2012/2013-01 Write Off of Uncollectible Accounts Receivable

Council Chairman Nazzaro read the Resolution in full. Councilor LaBranche moved to adopt Resolution #2012/2013-01 Write Off of Uncollectible Accounts Receivable. Council Vice Chairman Bentley seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

B. Resolution #2012/2013-03 Economic Development Committee

Council Chairman Nazzaro read the Resolution in full. Council Vice Chairman Bentley moved to adopt Resolution #2012/2013-03, Economic Development Committee. Councilors Zink and LaBranche seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

C. Ordinance #2012/2013-01 First Reading: Amend and Close Out of Black Bear TIF

Two readings are required for an Ordinance. Council Vice Chairman Bentley read the Ordinance in full.

9. COMMITTEE/COMMISSION MEMBER RESIGNATION

Lola Tourigny tendered her resignation as a Trustee of the Library.

Council Vice Chairman Bentley moved to accept Lola Tourigny's resignation from the Board of Library Trustees and to thank her for her thirty plus years of service.

10. TOWN COUNCIL TO CONSIDER APPOINTMENTS TO COMMITTEES/COMMISSIONS

A. Trustees of the Library – Rod Crepreau, Term to Expire, March 2013

Council Vice Chairman Bentley moved to appoint Rod Crepreau as a Trustee of the Library, with a term to expire in March, 2013. Councilor Levy seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously,

7 – 0.

B. Housing Authority – Charlotte DiLorenzo, Term to expire March 2013

Council Vice Chairman Bentley moved to appoint Charlotte DiLorenzo to the Housing Authority with a term to expire in March 2013. Councilor Zink seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously,

7 – 0.

11. OLD/NEW BUSINESS

Councilor LaBranche said he believed they could take final action on Ordinance#2011/2012-03 that evening. This was established.

Councilor LaBranche moved to adopt Ordinance #2011/2012-03 Close Out of the Downtown TIF Fund and Main Street Enhancement Fund, Transfer all Captured Assessed Value to the General Tax Rolls and Repeal the Downtown Business District Tax Increment Finance District as Provided for in Ordinance 98-03. Councilor Zink seconded. There was no discussion. The Recording Secretary polled the Council. The motion carried unanimously, 7 – 0.

12. APPROVAL ON NON-PUBLIC MINUTES

A. June 11, 2012 (Procedural Session)

Council Vice Chairman Bentley moved to accept the minutes of the June 11th Procedural Session. Councilor LaBranche seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

B. June 20, 2012 #1 and #2

Council Vice Chairman Bentley moved to accept the minutes of the June 20, 2012 #1 and #2 non-public sessions. Councilor LaBranche seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

C. June 27, 2012

Council Vice Chairman Bentley moved to accept the minutes of the June 27, 2012 non-public session. Councilor LaBranche seconded. There was no discussion. The Recording Secretary polled the Council. Motion carried unanimously, 7 – 0.

New Business Notes:

Councilor Levy announced that the Seniors were having their July Jubilee on the coming Friday from 10:00 a.m. to 3:00 or 4:00 p.m. He knew Council members had received invitations and hoped they could attend as this was one of their biggest annual events.

Councilor Zink had received an email that the lemonade stand had opened by the park. They were requesting that they be allowed to put up an 8.5 by 11 inch piece of paper for advertising. Council Chairman Nazzaro asked if the Council had to vote to allow the piece of paper. Acting Town Administrator Cyr asked if he could make this his first decision. He said yes, they could put up the paper.

Council Vice Chairman moved to enter non-public session under RSA91-a:3 II(3) for the purposes of hiring. Councilor Zink seconded. There was no discussion. Motion carried unanimously, and the Council entered non-public session at 9:50 p.m.

Next meeting: July 18, 2012 Workshop

Respectfully submitted,

Ellen Adlington,

Recording Secretary