

Town Council Approved Minutes October 17, 2012 WS

TOWN OF NEWMARKET, NH
TOWN COUNCIL WORKSHOP
OCTOBER 17, 2012 7:00 P.M.
TOWN COUNCIL CHAMBERS

PRESENT:

Council Chairman Phil Nazzaro

Town Administrator Steve Fournier

Council Vice Chairman John Bentley

Councilor Mike LaBranche

Councilor Al Zink

Councilor Ed Carmichael

Councilor Dan Wright

Councilor Gary Levy

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

Councilor LaBranche moved to seal the minutes of the non-public session under RSD 9-A: 3 II c & e. Council Vice Chairman Bentley seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0.

2. PUBLIC FORUM: NON-AGENDA ITEMS ONLY

Rose-Anne Kwaks had information concerning last year's warrant article that gave \$380K to the school from open space funds. She had found Resolution 2007 – 35, stating that \$50K had to be returned in October of 2007 from the school to the open space bond. The resolution stated that subsequent legal advice determined that state law does not allow the use of town appropriated funds for school purchases. She said the \$380K was about to be put on the M5 form and sent to DRA. Ms. Kwaks had spoken to Jeannie Sams, Newmarket's DRA advocate, who had spoken to another DRA representative, Barbara Robinson. Ms. Kwaks had received a call earlier in the day saying that DRA would be sending a disallowed letter to the school which would reduce its appropriation by the \$380K in the warrant article. The town's attorney most probably was responsible for legally vetting the warrant. Ms. Kwaks said she did not know what could be done to rectify the situation, but she thought it might be a good idea for the Council to prepare a warrant article to return the money from the bond to the town. She thought maybe the money could be used the following year to reduce the tax burden. She suggested that the town use a different attorney to rectify the situation and that the attorney who originally vetted the warrant be billed. Council Vice Chairman Bentley asked who the attorney was in 2007. Ms. Kwaks said she thought it was FX. She asked if there could be an answer by the next business meeting, but that will depend on how quickly the information can be verified. Council Chairman Nazzaro said he would call the school.

Larry Pickering spoke about the Chevy fire truck that the Council had decided to sell at the previous meeting. He said the vehicle had been purchased and made into a fire truck, using parts from other Newmarket fire trucks, and was used until 1975. When it was retired, it was given to George Hauschold under a 50 year lease in which he agreed to house and

maintain it. Approximately, 10 or 11 years ago, the fire truck went to the Harcelrodes property. This was a handshake agreement. At that time, Mr. Pickering had gone before the Council, as the town still owned the truck, and asked if someone could find the truck and determine its condition. The fire truck then was removed and taken to the DPW on New Road. Mr. Pickering discovered that the truck had been dismantled by the Harcelrodes with the intent of restoring it. The pieces of the truck wound up in various places. While the truck was at DPW on New Road, the engine, transmission and starter had all been rebuilt.

Mr. Pickering expressed his concern that the town could loose another piece of Newmarket fire fighting history. He asked the town for a place to store it until someone could determine what could be done with it. He felt there was space in the new DPW building to house the rest of the parts. He wanted to gather a group of interested people and begin fund raising with the intent of complete restoration. Councilor Wright asked Mr. Pickering if he had spoken to the Historical Society. He said as he had not attended meetings recently, he could not speak for them. The Hand Tub Society did not have dry, heated storage available. Mr. Pickering did not like the third option of selling the truck to anyone who could restore it and most probably remove it from Newmarket. He said it was crucial to get the chassis out of the woods. Town Administrator Fournier will bring another Resolution to the Council to add that an interested citizen/group can be offered the truck. Councilor LaBranche asked if they could at least get all the parts to the DPW building.

As there was no further comment, Council Chairman closed the Public Forum at 7:23 p.m.

3. TOWN COUNCIL TO CONSIDER ACCEPTANCE OF MINUTES OF THE OCTOBER 3, 2012

BUSINESS MEETING

Councilor LaBranche moved to approve the minutes of the October 3, 2012 Business Meeting as written. Council Vice Chairman Bentley seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried 6 – 0 – 1, with Councilor Zink abstaining as he had been excused from the meeting.

4. DEPARTMENT REPORTS:

Town Administrator Fournier said that in the future he intends to have each department head meet with the Council at least once each quarter. This would average out to 2 department heads per workshop. For this agenda he had each department prepare a report for review. He said that he would relay any Council comments back. Council members were asked for comments per report.

A. Town Administrator

Council Chairman Nazzaro said he would like to see a graph projecting budget so the Council can see where they are during the year. He noted that the General Election is November 6th, and the town requires that 2 Councilors be present at all times from 7:00 a.m. to 8:00 p.m. and that the entire Council be present at 8:00 p.m. to count votes. Councilors are to contact him if they want to be excused.

B. Finance

Town Administrator Fournier said they are shrinking the finance reports. Council Chairman Nazzaro asked if the list of other tasks was by priority, which it is not. He asked that the list be put in priority order. Councilor Levy, referring to an increase in insurance rates of \$36K, asked if it were possible to offer a second plan at a lower cost with the town covering the cost of a higher deductible. Council Chairman Nazzaro said he would like to see the finances per department summed up with a bottom line for each.

Councilor Levy said he had specific questions, but did not need answers at this time. He referred to page 78 on the

Council zip drive, and asked about the minus \$120K due from the General Fund to the Recreation Department. Town Administrator Fournier said he would get a definitive answer, but this usually means that there is a revenue against it and it is a wash. Councilor Levy noted the fund balance on page 74 and reserves for encumbrances of \$1,484,720. He next asked about the \$100K liability for the Recreation Department on page 78. He questioned the purpose of \$159,774 in the Ambulance Revolving Fund on page 87. Town Administrator Fournier said he would find out, but usually this represents future purchases. Councilor Levy questioned the water treatment figure of \$1,249,849 in assets on page 91. Town Administrator Fournier will find what is included.

Council Vice Chairman Bentley asked why there was a revenue line item on page 72 for parking meters when the town had none. Town Administrator Fournier said this could be for parking permits, and Larry Pickering said he thought this was for parking spaces that were being rented at the library. Apparently, this was booked incorrectly at some point. Town Administrator Fournier said they would be working on reports, especially financial, for the Council and Budget Committee, and he now had a better sense of how much information they needed. He will work to present the reports in a more informational and concise form. Council Chairman Nazzaro suggested an executive summary, with backup detail that could be looked at when they felt there were anomalies.

Council Chairman Nazzaro asked for an explanation of figures on page 47 that showed water with a net income loss of \$50K and sewer with a net gain of \$87K. He also asked for an explanation as to why ambulance receipts were in decline. He asked that these numbers be put in context. Councilor Levy referred to page 47, under unreserved fund balance, that shows the school currently with a deficit, due to the school being recorded for the entire fiscal year. The report said this would be reversed when the second tax bill goes out in late October/early November, and that this was normal for this time of year. A note had been included that said the reporting could be done differently, but did not specify how. He wondered if this were reported in a different manner, if it would affect other issues.

Council Chairman Nazzaro said that on the last page of the financial summary, there was a comment on turnover. He said that financially and operationally turnover was not good, and he encouraged everyone to do their best to reduce it. He referred again to the last page of the report, in which Mr. Angell had expressed concerns that FICA, Medicare and health insurance had not been correctly reported in the past. He said he would come before the Council with a resolution to reallocate, but first there were some hard choices to make. Town Administrator Fournier said his understanding was that this had been artificially reduced the previous year during the budget process, without looking at salaries and using the formulas. Council Chairman asked that explanations such as this one be included in original reports.

C. Fire & Rescue

Council Chairman Nazzaro said it would be great if all the reports were in the same format. This is being worked on. Councilor Carmichael asked about the hiring procedure for departments. Town Administrator Fournier said they advertise, take resumes, and conduct interviews. He said he was seeking clarification from state law and the charter as to who would be responsible for hiring at what levels, but at this point it was either himself or the Council. Councilor Wright said he liked the way the figures were broken down on page 107 to show the number of incidents per type, and he would like to see this at the end of the year. Town Administrator Fournier said that he would be asking the Building Inspector to also break down his figures by the number and type of calls. He said these figures should appear in the town report, along with similar reporting from the police department and eventually reporting on storms from the DPW. Council Chairman Nazzaro said this type of reporting would make it possible for them to determine trends.

D. Information Technology

Councilor Levy asked for an update about the last RFP and Town Administrator Fournier said Mr. Poulin was putting together the last details. He said there would be one change as he was requesting a more powerful computer that he could bring to meetings to access data when it is requested. They were planning on doing this with no additional funds, and using his present computer to replace another one. Councilor Zink said that the report touched on one of the Council goals of improved communication in part through the web site. He said there was a citizen who had offered to help with the web site. He felt the Council should be able to give some input as well as department heads as this was an important communication issue. Town Administrator Fournier said this would not be a quick process as they wanted to simplify the site and ensure that the right information was included. He felt it would be difficult to create a design by committee, as they could become bogged down in details. He thought that the Council should become involved in the final review process and do the last edits. Councilor Zink said his point was that the Council was aware of citizen concerns and had set the need for improved communication as one of its goals. He felt that the IT Director needed strategic direction from them. Town Administrator Fournier said he was concerned about who would provide the direction, the Council, members

of the Council or himself. He felt that the web site should look like one that was representative of municipal web sites, and once designed could be brought to the Council for additions. His concern was with adding time to the process.

Council Chairman Nazzaro said the Council has to be a part of the requirements gathering phase to develop the strategy of the web site as a communication tool to reach the public. Councilor Levy restated Town Administrator Fournier's plan, and said that was fine with him as they would have input. He asked about the time-line. Town Administrator Fournier said he was expecting this to be done by spring, and that there was a lot of information on the current site, but it had to be organized and more easily accessible. Councilor Levy said that Newmarket did a good job of getting meetings, etc. on the site quickly and that they had a library which many other towns did not have. Council Chairman Nazzaro said he felt it was critical that they were on the front end of the requirements gathering and could offer input as end users beyond the technical aspects of the site.

E. Planner

Councilor Levy asked for an update on proposed zoning changes from B1 to M2 at the northern end of town. Town Administrator Fournier did not have the information with him at the meeting, but will present the details to the Council before it votes.

F. Police Department

Councilor Levy asked if police reports were published in the newspaper. There is no guarantee that the reports will be published if sent to them. They are available on the police department's Facebook page by date and calls with names not included. They also can be put on the web site. Councilor Carmichael read from the report the good news that Officer Kukesh was expected to return to light duty soon. Council Chairman Nazzaro said it was helpful to know the department had 14,000 calls in the first quarter, and asked that they have some comparative data.

G. Public Works

Councilor Zink asked Town Administrator Fournier what the review process is when people are promoted or added to a department. He replied that there had been few promotions or additions since he had been in Newmarket, but he believed that if this was within, they would advertise and Department Heads would conduct interviews and make recommendations. If there was an open position, they would advertise, test if required, etc., but could hold back in filling the position for budgetary reasons. He would discuss with a department head the need to fill a position. Council Vice Chairman Bentley said the Council had had similar discussions.

Town Administrator Fournier said the department heads would let him know if they planned to hire someone. Councilor Levy asked that he also report this information to the Council. Council Chairman Nazzaro said the decision should not just be based on the budget, but on the man hours required to run the town effectively. Town Administrator Fournier agreed. Councilor Zink said the Council should be aware when the town was hiring for a position in order to respond to citizen questions. He said this did not mean that they would say yes or no, but that staffing was 80% of the budget. Town Administrator Fournier said he could put a copy of any employment ad in their mail boxes.

He said that according to the Charter, it was the Town Administrator and Departments who determined hiring within the budget set by the Council. Department Heads are recommended by the Town Administrator and hired by the Council. He emphasized that he wanted to ensure that this was all done correctly, and if this was for informational purposes only, that was one thing, but if this were within the budget this was another. He did not want to see the lines mixed and the Council become involved in who they hired. Council Chairman Nazzaro said that they just wanted the information before it was publicized. Councilor Levy agreed that he just wanted this for informational purposes. Councilor Wright asked if they would also look at positions that could be shared between departments, and if the Council could be involved in those discussions. Town Administrator Fournier said that was his job, and that he would look at all the options concerning staffing levels. He was in discussions with the School Superintendent on the possible sharing of positions.

H. Recreation

In response to concerns, Jim Hilton is doing fine. The annual Halloween Haunt will be on Saturday, October 27th from 2:00 to 4:00 p.m. downtown. Council Chairman Nazzaro suggested that some items could also be put on the screen for those watching. Town Administrator Fournier said that the number of pages for reports would be reduced to summary form. Events are listed on the web site, and he pointed out that preparing summaries, reports and preparing a screened version could take many more man hours.

I. Town Clerk/Tax Collector

Council Vice Chairman Bentley commended Town Clerk Benvenuti for her work which led to their receiving a grant to archive records from 1914 – 1941.

J. Water/Sewer Systems

Councilor Levy referred to page 122 of the packet which summarized well production and asked for an explanation of the 8.2% water loss from January to September. He also wondered how the total gallons of water pumped related to the previous year. He suggested that a line be added that would indicate if water use was up or down from the previous year. Amy Thompson said her understanding was that some water loss is normal over the length of the pipes, but there are some leaks that can be fixed. Town Administrator Fournier will find out what is considered normal.

Council Chairman Nazzaro said that this was the most information the Council had received on operations, and previously they had received piece meal information. He said the Council was trying to help Town Administrator Fournier refine the reporting process so that they received the information they needed to make decisions. He said that once the structure was in place, it would be a process of simply filling in the information month by month.

5. TOWN COUNCIL TO CONSIDER REPORTS FROM COUNCIL REPS COMMITTEES

A. Councilor Carmichael, Planning Board: The Board held a workshop on October 9th and discussed the possible rezoning along Route 108 from the Durham town line to the car wash. They also had a public meeting on an application for a renewal of an excavation permit for Wayne and Janice Rosa. A site walk of the property will be held on Saturday, October 20th at 9:00 a.m.

B. Council Chairman Nazzaro, Highway Safety: There had been no meeting. However, the ECONOMIC DEVELOPMENT COMMITTEE IS STILL IN NEED OF 2 AT-LARGE MEMBERS. He said they would put this on the calendar for November, but they needed community input.

C. Councilor Wright, Conservation Commission: Brett Bergeron had come before the Commission, and had proposed building a trail as part of his work to become an Eagle Scout. Ms. Kwaks had donated money for signage. There also was a wetlands permit with some changes for 13 Water Street, the former Joyce's Kitchen. Wayne Rosa had come before the Commission about his application for a renewal permit for his gravel pit. The Commission will participate in Saturday's site walk.

D. Councilor LaBranche, CIP: The CIP Committee had finished its meetings and sent the CIP requests to Town Administrator Fournier.

Efficiency Committee: Councilor LaBranche deferred to Councilor Zink. The Committee had met on Monday, October 15th for a short meeting. He understood that a Budget Committee representative had agreed to join them in the future. The Chair reviewed accomplishments to date: budgeting sessions are held during the same time frame and three priorities for the town and school to work together have been identified. There had been no progress on consolidating facilities management and financial reporting. There had been significant progress on identifying ways to realize significant savings in insurance, but the issue has not yet been fully resolved.

He said that one of the Committee's responsibilities is to identify issues, bring them to a community focus and then drive them to a conclusion. He said they cannot take on tasks, but bring up issues and keep them in the forefront. The

community had said that it is the responsibility of the Town Council and School Board to take on tasks. He said the community deserves an answer from both as to what they are going to do and when. The Committee had concluded that the issues they had identified could save the town hundreds of thousands of dollars. The Chair of the Committee had presented a bleak forecast of how his taxes would increase over the next few years. The town is working on a five year forecast, and the school will be encouraged to do the same. He felt these were good tools for the community. He said that some on the Committee thought there was a need for real systemic change.

E. Councilor Levy, Budget Committee: Members who had attended a recent LGC training session reported that the Budget Committee can create its own warrant articles and that the Town Council, as the legislative body, can decide whether or not to include tax impact information in warrant articles for FY2014. The school can place a warrant article this year for the school meeting to include tax information for FY2015. The school plans to have copies of its budget before Thanksgiving, and expects to have a warrant article concerning some type of arrangement with Oyster River. A non-public meeting between Newmarket and Durham has been scheduled for October 22nd to discuss options for some type of consolidation. There will be a public School Board meeting on October 23rd at 5:30 to discuss school facilities. Dr. Hayes had given members a report that showed there was no benefit in pooling school and town health insurance. He had also reported that he hoped the collective bargaining sessions would soon produce an agreement. Town Administrator Fournier had reported that the town had 78.4% of the operating budget remaining after the first quarter of the year, and that there would be a maximum increase in insurance of 6%. DRA is behind schedule, and the tax rate probably will not be received until early November.

Budget Committee meetings are scheduled for 6:30 p.m. on 11/26, 12/3, 12/10 and 12/17. Tentatively, there could be a Saturday meeting on 12/15.

F. Councilor Zink, Advisory Heritage Committee; There was no meeting.

G. Councilor Bentley, Energy Committee: There was no meeting. There will be a Resolution at the next Council Business Meeting to disband the Committee.

Councilor LaBranche said there would be 2 different moderators at this first joint deliberative session. He thought they should be communicating as to how the process works. Council Chairman Nazzaro said he and the School Board Chairman had discussed this and would be setting up a meeting for the two moderators. Councilor Zink suggested that they ask Don Jutton to help. Town Administrator Fournier said he had done this before, and felt comfortable with the process. Councilor Zink said he understood, but thought they might need an objective third party to negotiate the best result.

6. PRESENTATION OF FY2014 BUDGET (First View), TOWN ADMINISTRATOR

Page 1: The Consumer Price Index showed a rate of increase of 4.0% nationally, 3.9% in the Northeast and 3.7% in Boston a year ago. This was compared to a rate of increase of 1.4% nationally, 1.1% in the Northeast and 0.8% in Boston at the end of the last fiscal year.

Page 2, A: Unemployment rates in Newmarket in July of 2011 were at 4.4% compared to the national average of 9.3% and were at 4.6% in Newmarket as of July 2012 compared to the national average of 8.6%.

B: A pie chart depicted the percentage of the current estimated tax rate (\$23.98) that goes toward the following: local school, 58.92% or \$14.13; state school, 10.13% or \$2.43, totaling 69.05% for all schools; town, 26.65% or \$6.39 and county, 4.30% or \$1.03.

Page 3, A: The five year tax rate comparison showed an increase from 2010 to 2011 from \$5.42 to \$7.03 and the estimated current rate not using fund balance is \$6.39.

B: FY 2012 showed a total of \$10,750,227 due to money going into the Downtown TIF, which had offsetting revenues, and the current FY2013 budget showed a 15.65% decrease to \$9,068,043. The bottom line budget proposed by Town Administrator Fournier for FY2014 is \$9,305,299 showing an increase of 2.62% or \$237,256 over the current 2013

budget. Department Heads had proposed a FY2014 budget of \$9,769,183 for a 7.73% increase.

Page 4, A: Expenditures in the FY2013 proposed budget were broken down by fund. The General Fund,, currently at \$6,156,972, would be \$6,355,490 for a 3.22% increase in the Town Administrator's proposal for FY2014. Special Funds: the library was requesting \$300,931, up from \$284,130, for a 6% increase; recreation was requesting \$391,526, down from \$393,938, and solid waste was requesting \$453,475, up from \$441,577, for a 2.6% increase. Enterprise Funds: water was requesting \$848,597, up from \$843,230, for a .6% increase, and waste water was requesting \$955,279, up from \$948,196 for a .7% increase.

B: The 3 year comparison of the total budget showed its totals at \$10,750,227 in 2012, \$9,068,043 in 2013 and \$9,305,299 proposed for 2014.

Page 5, A: The pie chart showed the budget by fund: The General Fund, representing 68% of the proposed budget is \$6,355,490, Special Funds total \$1,145,932 or 12% and Enterprise Funds total \$1,803,877 or 20%.

B: The General Fund Budget by Function pie chart showed the largest portion, general government, including administration, finance, IT, etc. represents 27% or \$2,466,509. The largest share of general government is spent on health benefits, HR costs and retirement. Water and waste water represent 19% (\$1,803,877), Public Safety is 18% (\$1,637,939), Public Works is 16% (\$1,483,533), Recreation and Culture is 7% (\$692,457), Solid Waste is 5% (\$453,475), Social services and Welfare is 2% (\$157,750), Contribution to Capital Reserve is 3% (\$326,019), Debt Service is 3% (\$281,800) and Conservation is less than 1% (\$1,941).

Page 6: The largest increase in the proposed budget will be for retirement benefits (\$135,579), over which the town has no control. This is made up of the General Fund (\$124,152), Water (\$4,325) and Sewer (\$7,102). Next largest is the contribution to the town's Revaluation Capital Reserve Fund (\$40,000). A budget line item to award merit pay increases or one-time payments to employees was set at \$50,000. This would be based on merit and performance evaluations. Information Technology shows an increase of \$20,000, divided evenly between computer equipment and Channel 13 camera equipment. Fire radio replacement would increase by \$17,500 and the Town Administrator's salary by \$11,920 over last year. Salt expenditures will increase by \$10,000 because of contracts and an extra \$10,000 was earmarked for legal costs as this item has been over-expended in the past.

Page 7, A: A decrease is being made in the public works administration by a \$23,696 reduction in salary for the foreman position. The largest decrease (\$91,241) is in health insurance because, although there will be a rate increase of 6%, there were extra funds in previous budgets. There is a decrease of \$7,750 for the Town Clerk due to a decrease in operations.

B: The revenue budget does not include funds raised through taxation. Revenue estimations for the operating budget would be \$4,687,629; from special revenue funds, \$454,431; from the general fund, \$2,409,321, the largest part of which is motor vehicle registrations, and from water and sewer, \$1,803,877. Overall there is a slight overall increase in revenues.

Page 8: There are 2 proposed warrant articles that will have no impact on the tax rate. A bond for the development of the MacIntosh Well for \$3,370,250 will instead impact the water rates. If the bond were issued, the cost would be for the first year's interest payment. The second warrant article would be to transfer \$1,224,000 from the reserved fund balance to the Fire/Public Works Building Capital Project Fund. This will remove the deficit from the town's general ledger and is an accounting/housekeeping process only, with no impact to the tax rate or the unreserved fund balance. This would put the town in a better position in seeking bonds.

Page 9, A: The tax impact chart is an estimate based on data that is currently known. The Town Administrator's proposed FY2014 budget shows gross appropriations of \$9,305,299, less revenues of \$4,667,629, plus overlay of \$100,000, which includes abatements, and war service credits, including exemptions for war service veterans, for a net town appropriation of \$4,916,670. Based on the current total town assessed value of \$741,834,383 the estimated tax rate would be \$6.63 per thousand.

B: The tax impact on the average home valued at \$250,000 is currently \$1,597 for the town portion of the annual tax bill.

The proposed budget would cost the average homeowner \$1,657. The difference is \$60 annually or \$5 per month. Home values can change somewhat, and the town will be doing revaluation in 2014.

Discussion: Town Administrator Fournier said this was an overall view, and the next step would be to set up Council workshops to go over the budget by department. Councilor Levy asked to have a figure for what had actually been spent in FY2012 to get an idea for comparison with FY2013 and the proposed FY2014 budget. Town Administrator Fournier said the figure for the Downtown TIF of \$1,056, 117 could be backed out of the 2013 amount. The offsetting revenues were also higher. Councilor Bentley asked if the proposed resolution for \$150,000 was included, and it is not. He said he would like to see the pooled amount for merit pay increases in each department's budget. Town Administrator Fournier said his only concern was that the Town Administrator has total control over the bottom line. He did not plan on giving this money out until late in the fiscal year in case there were budget "surprises" that needed funding. He said he understood the point, and it might show better recording.

Councilor Zink asked what had been budgeted for salary increases. Town Administrator Fournier said that would be the \$50,000 for merit pay. Councilor Zink stated that the town employees had not had salary increases for 3 years, and he suggested that the town's salaries be compared to others in the marketplace to ensure they would not lose employees. Based on an Efficiency Committee discussion, he asked if Town Administrator Fournier foresaw any major expenses of which they were not aware, such as road repairs that they found had been under-budgeted. He also asked for thoughts on the town's future budgets with continuing drops in state and federal aid. He asked that they begin to strategize on what could be done in the future with major revenue drops.

Town Administrator Fournier said he saw some major expenses, such as the wastewater facility and continued building maintenance, rather than construction. He said they had a fund of approximately \$350,000 in a building fund, but they needed to develop a maintenance plan. He said they also needed to develop a realistic road plan, as the university plan was too costly for most municipalities to follow. State grant funding for highways was diminishing as the gas tax had not been increased since 1991. In the short time since he had been Town Administrator, he did not see any huge projects for the future. With New Hampshire having one of the worst unfunded retirement programs, the town can expect decreasing revenue and a larger share of its costs. Healthcare will also be going through major changes and there are only 3 providers for public employees in the state. He said they needed to look at the benefit programs. In addition, they also had to consider the actions of the BSR, Bureau of Security Regulations which determines what funds have to be returned. With less of a fund balance, they could see the spiking affect on the tax rate.

Council Chairman Nazzaro said he thought that merit pay was the direction they needed to take. He said that merit pay requires a robust system of performance counseling and rating individuals, and he was not sure that they were at that point as an organization. Town Administrator Fournier agreed, and said that was the reason this would not be instituted until June of 2014. Council Chairman Nazzaro agreed with Councilor Zink that they could expect almost nothing from the state or federal government. He also agreed with Councilor Levy that they needed to look at previous years' expenditures in addition to budgets. He asked Town Administrator Levy how he had accounted for police pay in the budget. He said it was level as there was no collective bargaining agreement at this point. The tax impact on page 9 was the FY2013 estimate against the FY2014 estimate. This would be an increase over a sixty cent decrease. Town Administrator Fournier commended the department heads for getting the budget to him on time, and said that he did not have the history yet to analyze every line item.

Councilor Levy commended Town Administrator Fournier on his presentation, and asked if he was planning to go over the merit pay schedule with the Council in public, so that townspeople could understand what they were doing. Town Administrator Fournier said there was a fine line between what could be discussed in public versus what had to be discussed in non-public session. Any discussion of specific performance evaluations would be in non-public, while the overall goals of the program could be discussed publicly. Councilor Levy said at some point the Council should explain how they determined the bonus program for the Town Administrator and also the basis of goals for employees. He felt it would be helpful for the public to understand this. He also suggested that there might be cost savings in other insurance plans for those who seldom use the insurance. Town Administrator Fournier agreed that some employees might choose simpler plans in favor of a larger paycheck, which would also save the town money. Councilor Wright stated he liked the use of charts and graphs in the presentation.

The Council's budget is due to the Budget Committee on November 15th. Council Chairman Nazzaro asked Council members to contact him by October 20th about times they were not available from the end of October until November 13th to discuss the budget. Town Administrator Fournier said there were three weeks between this meeting and the next one of November 7th, and perhaps they could find a time to begin review of the budget. Council Chairman Nazzaro and Town Administrator Fournier will send out some possible dates to the Council.

7. NEW BUSINESS

A. Resolution 2012/2013-24 Use of Fund Balance to Reduce the Tax Rate: Town Administrator Fournier asked that they table this until the next meeting so that research could be completed.

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

Council Vice Chairman Bentley moved to suspend the rules and vote on appointing two Councilors to the collective bargaining negotiating team. Councilor LaBranche seconded. Town Administrator Fournier polled the Council. Motion passed unanimously, 7 – 0.

Councilor Zink said he was currently on the negotiating team, but was not running for office again and asked not to be considered for an appointment. Council Chairman Nazzaro said that in the past they had the Chairman and one other Council member on the team. Council Vice Chairman Bentley said he would have time to serve and that he had been on negotiating teams in the past as part of his job.

Councilor Levy nominated Council Vice Chairman Bentley to the negotiating team. Councilors Carmichael and LaBranche seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0.

Councilor Levy nominated Council Chairman Nazzaro to the negotiating team. Councilor LaBranche seconded. There was no discussion. Town Administrator Fournier polled the Council. Motion carried unanimously, 7 – 0.

C. Closing Comments by Town Councilors

Council Vice Chairman Bentley had attended the Lee Council meeting on Monday, when they discussed a person who owns and is taxed on land that is in Lee, Newmarket and Epping. The owner had illegally moved the boundary marker, which is also a county marker, about seven years earlier. The property owner will be given 30 days to restore the marker to its proper place with someone in attendance who knows the proper guidelines. The area had been surveyed in March.

Councilor Levy said he had asked at the previous meeting that a letter concerning accounts receivable be drafted with information about the responsibility of legal costs going to those not paying their invoices. The finance department is working on this. He also suggested the Economic Development Committee could begin meeting before the two at-large members had been found. Council Chairman Nazzaro agreed. Councilor Zink said that Town Administrator Fournier had been asked to look at alternative health insurance plans, and asked him if he had met with Dr. Hayes. He said that people with the same positions in the school and town had different benefit plans and different pay philosophies. Town Administrator Fournier said they had had preliminary discussions and would continue to meet on providing similar plans. Council Vice Chairman Bentley agreed with Councilor Levy that the Economic Development Committee should meet.

8. ADJOURNMENT – NEXT MEETING NOVEMBER 7, 2012, BUSINESS MEETING

Councilor Levy moved to adjourn. Councilor LaBranche seconded. Meeting adjourned at 9:19.

Respectfully submitted,

Ellen Adlington,

Recording Secretary

